Partnerships that matter

2004|2005 ANNUAL REPORT

BC Housing

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Cover photo: Funding partners break ground for the John Howard Society's Bedford Manor in Kamloops — 76 assisted living units for seniors developed under the ILBC program. Pictured left-to right – then Minister of State for Women's and Seniors' Services Ida Chong, John Howard Society Executive Director Dawn Hyrcun, MP Honourable Raymond Chan, Kamloops MLA Claude Richmond, and then John Howard Society board members Ralph Carriere and Wally Kloubeck.

Glen Arbor – BC Housing

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Message from
The Interim Chair and CEO

34 supportive seniors' housing units in Williams Lake operated by the Cariboo Park Home Society and developed in partnership with Canada Mortgage and Housing Corporation (CMHC), City of Williams Lake and other donors.

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Message from The Interim Chair and CEO

Housing is more than bricks and mortar; it is critically important to a person's physical, mental and social well-being. Finding affordable and appropriate housing can be particularly challenging in British Columbia, where housing in some areas is the most expensive in the country. Approximately 69,280 renter households in British Columbia are unable to find housing that is suitable in size and in good repair without paying 50 per cent or more of their income on rent. This year, BC Housing made investments of $283.7 million, which assisted more than 55,709 households to continue to live independently and contribute to their communities.

In recent years, BC Housing and its partners have shifted from a broad-based approach to one focused on meeting the housing needs of vulnerable citizens. An innovative, multi-partner approach is the foundation of all of our housing programs. This year, the Government of Canada and the Province of British Columbia renewed their commitment to affordable housing through the second phase of the Canada-British Columbia Affordable Housing Agreement. Together, the federal and provincial governments will allocate $84 million towards a continuum of affordable housing with support services to those who are homeless or at risk of homelessness, people with mental illnesses and physical disabilities, those with drug and alcohol addictions, Aboriginal peoples, youth, and women with their children fleeing abusive relationships. Support services include counselling, drug and alcohol treatment, and job training that will help people break out of the cycle of poverty and despair.

All new developments tend to be at the supportive end of the housing continuum and are designed to promote stability, self-reliance and independence. Independent Living BC (ILBC) and the Provincial Homelessness Initiative (PHI) are indicative of this direction. We made great progress on these initiatives with more than 3,088 units allocated under ILBC, a housing-for-health partnership designed to meet the needs of seniors and people with disabilities who require some personal assistance, but do not need 24-hour facility care. By 2006/07, 3,500 units will have been created under this program.

The Premier's Task Force on Homelessness, Mental Illness and Addictions (Task Force) which convened in September 2004 signal support for a comprehensive approach to homelessness, mental illness, and addictions along a single housing and support continuum. The Provincial Homelessness Initiative, which emerged from the work of the Task Force, resulted in the allocation of 533 units of transitional and supportive housing for individuals who are homeless in nine communities in B.C. to date. Discussions will continue with Task Force members in 2005/06 about additional long-term solutions.

Focusing on housing vulnerable families and individuals also means that we are seeing tenants who, along with low incomes, have significant health and social barriers. Together with our partners, we have increasingly focused our efforts on placing frail seniors and households with complex social and health needs, and on providing them with a range of support services. Due to an increasing population of seniors in British Columbia and the aging public housing stock, BC Housing spent about $15 million this year on public housing modernization and improvements to ensure that these developments continue to meet the needs of tenants. This attention to both the physical structure and support needs has been recognized by public housing tenants who reported an overall satisfaction rating of 84 per cent.

Our Aboriginal partners were looking for opportunities and the means to address housing challenges in a way that promotes capacity building and autonomy. This year, BC Housing was pleased to sign the first-ever agreement of its kind in Canada

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that transferred the management of 189 housing units from BC Housing to the Aboriginal Housing Management Association (AHMA). This agreement is based on respect for community leadership and expertise which is a fundamental principle of our working relationships with the non-profit and private sectors which house 86 per cent of households assisted.

Our operating environment is affected by many of the same constraints as in the private sector, such as the rising costs of utilities, insurance and construction, as well as building envelope failures in some non-profit buildings built predominantly between 1987 and 1997. A risk-management approach is used to assess challenges and determine the appropriate strategies to respond.

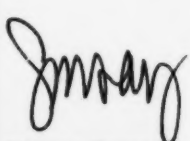
This year, BC Housing received total funding of $283.8 million, of which $147.9 million came from the provincial government. Over the next three years, BC Housing's budget will provide funding for numerous housing programs and capital improvements to existing social housing.

We took some time this year to revise our service plan along sectoral lines that reflect the range of available housing options. These changes provide us with an opportunity to describe BC Housing's core services and business activities in a more comprehensive manner. We have chosen to report on our success in meeting the measures set out in both the 2004/05 - 2006/07 (Appendix B) and 2005/06 - 2007/08 service plans.

There is a range and diversity of experience at BC Housing that has allowed us to move forward on our commitments. Together with our partners, we will continue to make significant contributions to the lives of British Columbians.

Accountability Statement

The 2004/05 BC Housing Annual Report was prepared under our direction in accordance with the *Budget Transparency and Accountability Act*. We are accountable for the contents of the report, including the selection of performance measures and how the results have been reported. The information presented reflects the actual performance of BC Housing for the twelve months ending March 31, 2005. All significant decisions, events and identified risks, as of June 1, 2005, have been considered in preparing the report. The information presented is prepared in accordance with the BC Reporting Principles and represents a comprehensive picture of our actual performance in relation to our service plan.



Shayne Ramsay
Chief Executive Officer

Lori Wanamaker
Interim Chair, Board of Commissioners

Organizational

Tenants at Haro Park Centre — Vancouver's first campus of care featuring independent housing, assisted living and complex care, supporte Vancouver Coastal Health and BC Housing under the ILBC program.

Performance Summary

BC Housing's Performance Measurement Framework — Understanding the Linkages

The framework below and the data reported in this section set out the results for the revised goals, objectives, strategies and measures. Detailed information on the 2004/05 - 2006/07 Service Plan measures and the key changes are in Appendix B. Data to support the information reported in this section was captured through BC Housing's information and reporting systems BILD[1] and INHOUSE[2], and through specific business processes and practices. The results related to the measure and targets in this section are tracked and reported quarterly through a Quarterly Accountability Report prepared for senior management and the Board of Commissioners.

Alignment with Government Goals and Priorities	Guiding Principles	Goals	Objectives	Performance Measures
A supportive social fabric	Building alliances and partnerships	**Respond to gaps in housing supply**	Increased stock	Inventory of subsidized housing
				Number of new housing units created
Flexibility and choice: Provide greater choice of living options for home and community care	Respecting community leadership and expertise	**Protect and manage existing housing for the long term**	Maintain the quality of the existing assets	Percentage of social housing developments meeting "best management practices"
				Percentage of clients reporting satisfaction with the quality and safety of their housing
			Adequate provisions for future requirements	Level of funding for future improvements to the stock
Safe, healthy communities and a sustainable environment	Protecting public investments	**House eligible applicants and respond to those in greatest need**	Facilitation of the application process	Percentage of new applicants reporting satisfaction with the process
				Percentage of units represented through The Housing Registry
	Providing client-centered services		Available housing targeted to the most vulnerable	Percentage of tenants belonging to priority groups
Community services and infrastructure: Implement a provincial housing strategy to address market and subsidized housing needs		**Financial and operating success**	Costs controlled	Year-over-year increases in controllable operating costs
	Providing cost-effective solutions		Value for money	Per-square-foot construction costs

[1] *BILD: An application with full database capabilities used by the Development Services Branch to track details on developments/projects.*
[2] *INHOUSE: An integrated application system based on the Informix Relational Database platform designed to provide an integrated picture of key business activities.*

Context

OUR MANDATE

The British Columbia Housing Management Commission (BC Housing) was created in 1967 through an Order-in-Council under the *Housing Act* to fulfill the government's commitment to the development, management and administration of subsidized housing.

OUR VISION AND MISSION

OUR VISION: Working in partnership to create housing options for those most vulnerable in our communities

OUR MISSION: To assist vulnerable British Columbians in achieving independence and self-sufficiency

CORE VALUES

HOME: We recognize that social housing is more than bricks and mortar. It is a place to call home. For vulnerable families and individuals, their homes provide the stability that they need to move forward in their lives.

DIGNITY: A home provides the foundation from which families and individuals can solve their own problems and fulfill their own needs with dignity and strength.

COMMUNITY: Social housing investments contribute to sustainable communities. With social housing, people are able to contribute to their communities and create diverse neighbourhoods.

GUIDING PRINCIPLES

Our work is guided by a number of principles which flow from our values of home, dignity and community:

- Building alliances and partnerships: Our partnerships with other levels of government, the non-profit and private housing sectors and health authorities are essential to creating a supportive social infrastructure across the province, and to ensuring that options are available along the housing continuum.
- Respecting community leadership and expertise: The majority of subsidized housing is owned and managed by the non-profit and private sectors. All communities are unique in the housing challenges they face. It is important to rely on local expertise as we continue to develop solutions that serve people in need.
- Providing client-centered services: Applicants, tenants and our housing partners are at the centre of BC Housing's programs and services. We strive to ensure that our services are responsive, equitable and accessible.
- Protecting public investments: As an agency of government, we are conscious of how we spend taxpayers' dollars. We work to ensure accountability to clients, government and the public.
- Providing cost-effective solutions: We work with our partners to be innovative in providing high-quality and cost-effective solutions.

These principles are reflected in all aspects of our performance. We believe that each and every person at BC Housing has a role to play in integrating these principles into our day-to-day activities and ensuring our collective success in achieving our goals (see Strategic Priorities and Core Business Activities on page 16). Achieving our targets related to these goals is the cornerstone of our performance plans.

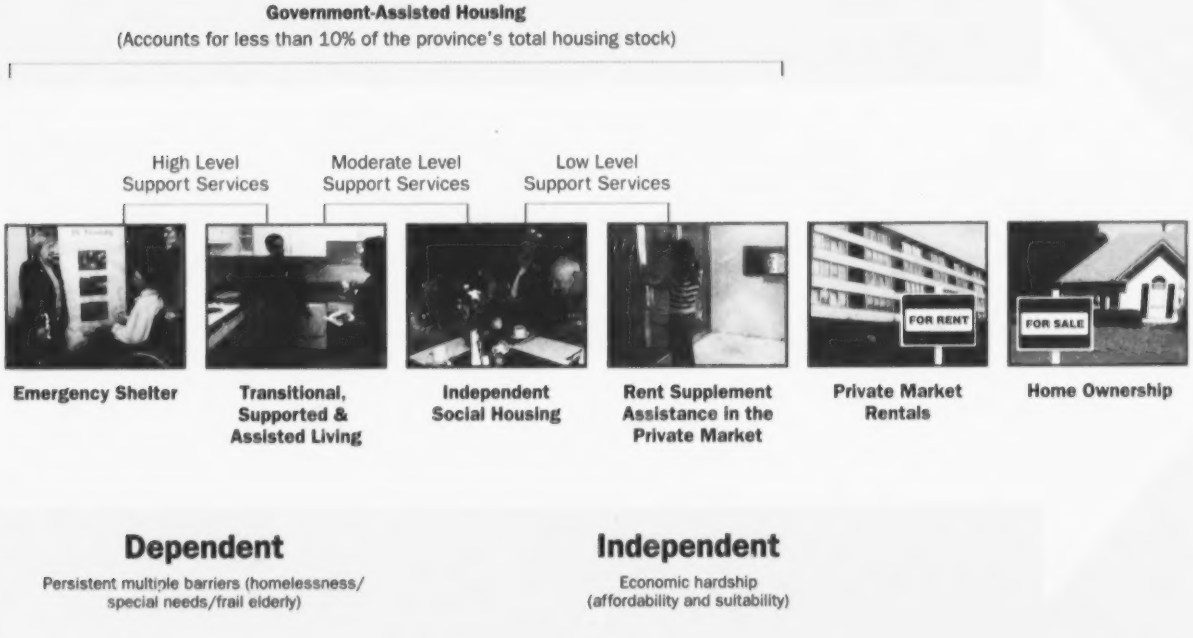
Who We Serve

Government-assisted housing is targeted to lower income households, many of whom have complex housing and health needs. Fundamental to our programs and services is assistance to those in crisis, such as women with their children fleeing abuse, as well as individuals with chronic health issues including frail and aging seniors, persons with disabilities and the homeless.

Housing vulnerability arises from a combination of factors. Some of these factors are housing-related (affordability, availability, suitability) and some are related to life events such as disabilities, health issues, social exclusion, joblessness and a breakdown of relationships. Access to subsidized housing provides a foundation from which individuals and families can gain the stability that they need to move forward in their lives.

The range of available housing can be described as a continuum of housing options. In order to move people along the continuum and out of emergency or transitional situations (i.e. homeless) to more stable situations (i.e. housed), a combination of housing with appropriate supports is needed. The continuum of housing and services also provides reintegrative strategies that assist individuals in gaining economic and social independence. BC Housing provides flexible responses to address gaps within the continuum and is working to ensure that support services, such as health care and employment training, are available when tenants need them.

This year, BC Housing responded to more than 88,000 calls and walk-in visits from British Columbians inquiring about subsidized housing for themselves or their families. We also processed more than 10,000 applications from households in need of affordable housing. In responding to this need, BC Housing assisted 55,709 households through the provision of housing. Subsidized housing accounts for less than 10 per cent of the total housing stock in British Columbia. The private market, which includes home ownership and market rental units, accounts for the majority of the housing stock.



Areas

In many cases, households spending 50 per cent or more of their income on rent are considered to be in the worst-case need, and at risk of economic eviction or homelessness. BC Housing and its partners focus their resources on assisting this population. Using data from the 2001 Census, the tables below show the general distribution of the approximately 69,000 households in worst-case need. Also shown are the households assisted through the current inventory of subsidized units.

- **Interior**
- **Lower Mainland East**
- **Lower Mainland West**
- **Vancouver Island**
- **Northern**

LOWER MAINLAND WEST	
Households spending ≥50% of their income on rent	23,000
Households assisted through social housing	19,750

INTERIOR	
Households spending ≥50% of their income on rent	12,000
Households assisted through social housing	8,300

VANCOUVER ISLAND	
Households spending ≥50% of their income on rent	11,000
Households assisted through social housing	8,810

LOWER MAINLAND EAST	
Households spending ≥50% of their income on rent	19,000
Households assisted through social housing	16,000

NORTHERN	
Households spending ≥50% of their income on rent	4,000
Households assisted through social housing	2,840

This map shows BC Housing's service regions. Given the service partnerships we have with the health authorities, our regions are closely aligned with those of our health partners. BC Housing has approximately 357 full-time-equivalent employees working in these regions. BC Housing staff are our greatest resource and ensure that we are well positioned to meet our goals and objectives.

These figures are rounded.

Areas Served

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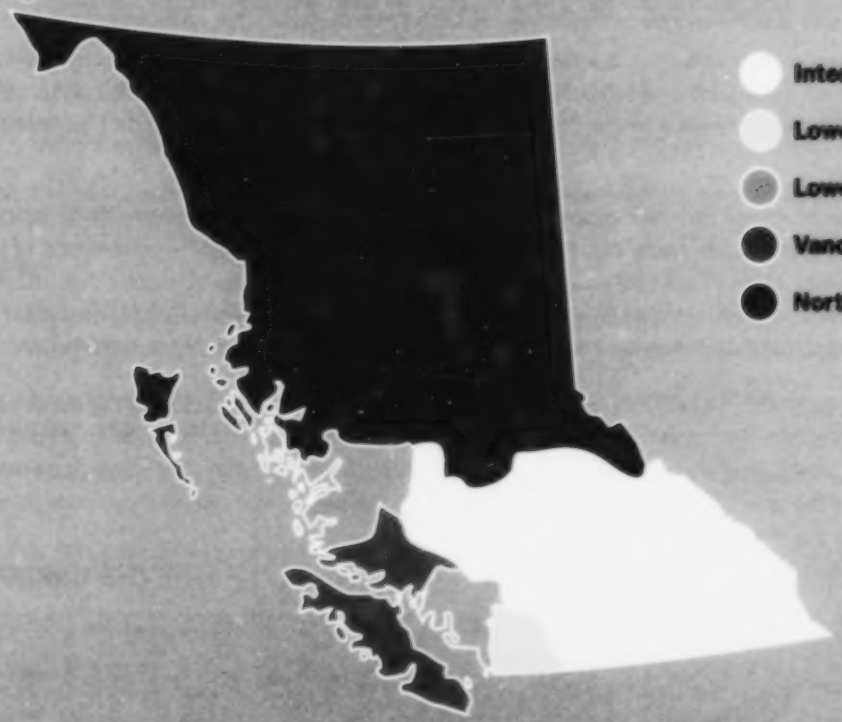

Households spending ≥50% of their income on rent	23,000
Households assisted through social housing	19,750

Households spending ≥50% of their income on rent	12,000
Households assisted through social housing	8,300

Households spending ≥50% of their income on rent	11,00
Households assisted through social housing	8,91

Households spending ≥50% of their income on rent	19,000
Households assisted through social housing	18,000

Households spending ≥50% of their income on rent	4,000
Households assisted through social housing	2,940

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These figures are rounded.

Key Relationships

DELIVERY PARTNERS

Under the current delivery system, housing assistance is provided through a number of mechanisms including public, non-profit and co-operative housing, as well as the provision of rent assistance to households living in the private rental market. BC Housing provides financial, administrative and technical support to its delivery partners, in addition to administering long-term operating agreements and managing the provision of housing subsidies. These long-term operating agreements set out the operating and financial targets from which non-profit, co-operative and private sector delivery partners ensure that the existing housing portfolio is well-managed and well-maintained. Within this relationship, BC Housing's role is one of stewardship and accountability.

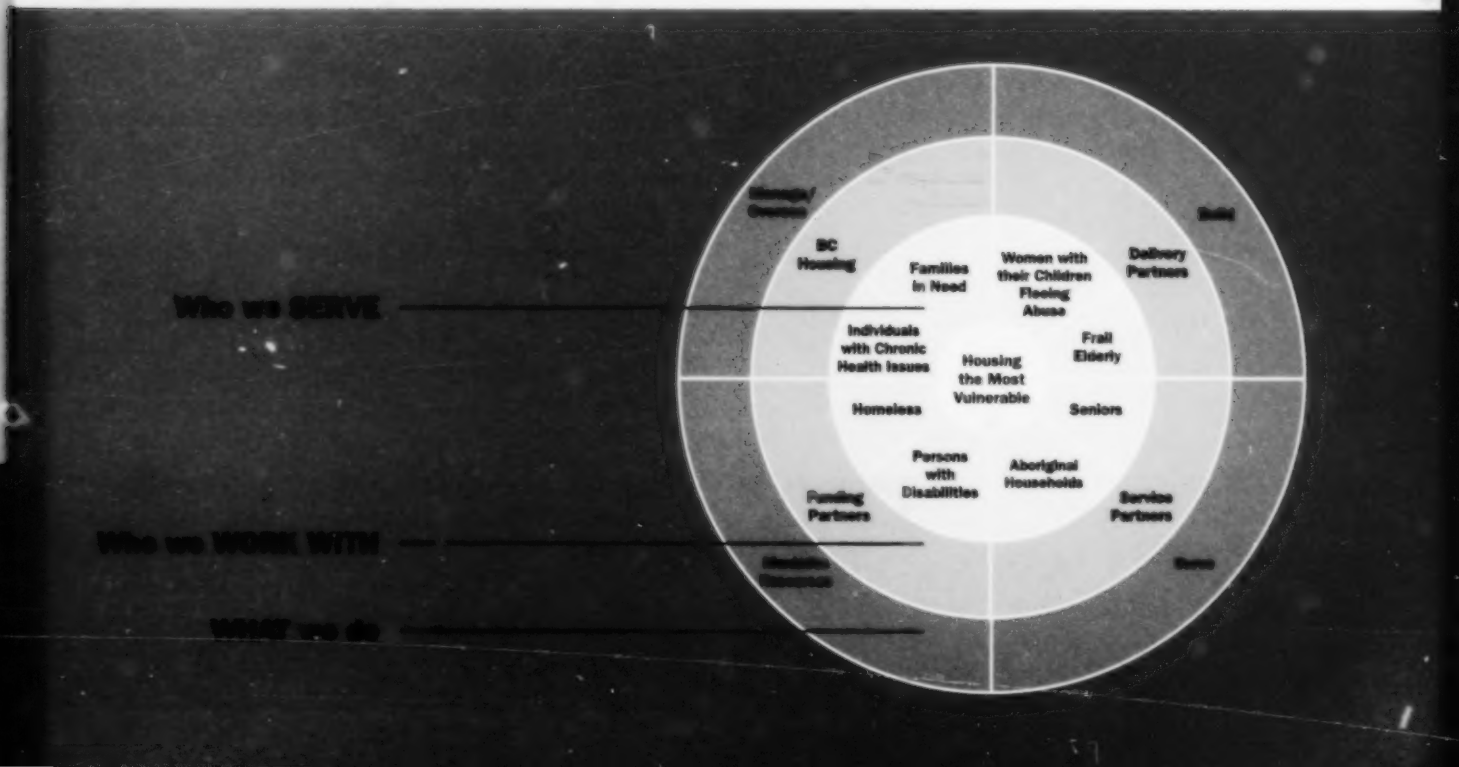
SERVICE PARTNERS

In responding to the needs of British Columbians, access to housing must often be combined with a series of support services (e.g. income support, health, education, employment, skills training). In response to the needs of tenants, BC Housing has engaged in innovative partnerships that integrate housing and support services. These partnerships involve other levels of government, health authorities and local service providers that provide assistance to tenants.

FUNDING PARTNERS

The magnitude of investment required to create new housing calls for a partnership model. No one level of government can do it alone. Given this shared responsibility, a public-private partnership model for the development of new housing combines funds from all levels of government and leverages private, non-profit and charitable sources. Once built, funding for the ongoing delivery of government-subsidized housing comes from a number of different partners including the provincial government, the federal government, other provincial ministries, tenant rent revenue and revenue generated from land leases and other sources. The Financial Report section provides additional details.

The following diagram illustrates BC Housing's relationships with our key partners and how we work together to provide housing options. Every aspect of our business is centered on our clients. Using this client-centered approach, and in co-operation with our partners, BC Housing builds, manages, administers and maximizes resources, in order to ensure that the housing needs are met for vulnerable British Columbians.



Key Relationships

Housing Continuum Roles and Responsibilities

The table below highlights some of the different funding and service relationships that exist within the social housing system and which are designed to meet the needs of those who are the most vulnerable.

PARTNER	Public Housing	Non-Profit and Co-operative Housing	Rent Supplement Assistanc in the Private Market
Provincial Rental Housing Corporation (PRHC)	• owns land and buildings for approximately 40 per cent of developments and shares ownership with federal funding partners for the remainder	• owns land and buildings for minority of developments	
BC Housing	• manages 70 per cent of stock • oversees third-party property management of remaining stock • ensures appropriate eligibility and placement of tenants • provides services and support to vulnerable tenants • facilitates the co-ordination of The Housing Registry	• provides financing and mortgage administration • administers subsidies for up to 35 years • provides oversight through operating agreements	• provides rent supplements • ensures appropriate eligibility
Delivery Partners (non-profit, co-operatives and private sector)	• provides contracted services to 30 per cent of developments	• owns land/buildings for majority of developments • manages property • selects tenants • partners with service providers • provides transitional, supportive, assisted and independent housing	• owns land/buildings • manages property • selects tenants
Health Authorities	• provides some support services in partnership with BC Housing	• provides funding for services in supportive and assisted living projects for seniors and the homeless	• provides funding for support services to private market Independent Living BC projects
Federal Funding Partners	• shared ownership of some sites with PRHC • federal/provincial cost-sharing agreement for all developments	• federal/provincial cost-sharing agreement for some developments • provides capital construction grants to some projects	• federal/provincial cost-sharing agreement for some developments
Other Partners Ministry for Children and Family Development Ministry of Human Resources Ministry of Health Municipalities	• income support for some tenants • supportive services delivered in partnership with BC Housing	• income support for some tenants • support services including outreach, referral and on-site services • subsidy/funding	• income support for some tenants with specific needs

Governance

BC Housing is accountable to government through a Board of Commissioners appointed by the Lieutenant-Governor in Council. The Interim Board Chair and sole board member is Lori Wanamaker. The Board of Commissioners, in co-operation with senior management, sets the strategic directions for the organization based on the province's planning and reporting principles. The board incorporates best practices into its governance practices as guided by the BC Governance and Disclosure Guidelines for Governing Boards of Public Sector Organizations.[1]

BC Housing aligns its business activities with government's housing priorities and reports to the Minister of Community, Aboriginal and Women's Services. A key component of the governance framework is the Shareholder's Letter of Expectations. This letter is signed by the Minister and Chair and is designed to ensure a shared understanding between the shareholder and BC Housing on key governance issues, corporate mandate and core services, public policy issues, strategic priorities and performance expectations.

COMMITTEES OF THE BOARD

The Board of Commissioners may establish committees and give direction to those committees. Current board committees are as follows:

AUDIT COMMITTEE: The Audit Committee liaises between the external auditors and BC Housing's Board of Commissioners. The committee ensures the adequacy of internal controls and compliance with financial and accounting policies. In addition, the committee ensures that the external auditors provide an independent report of the integrity of financial data.

CODE OF CONDUCT

The Board of Commissioners adheres to the following standards of conduct when exercising the powers and performing the functions of the organization:

- Act honestly, in good faith, and in the best interests of BC Housing;
- Exercise care, skill and diligence in their decision making; and
- Follow ethical standards in order to avoid real or apparent conflict of interest between their private interests and the interests of BC Housing.

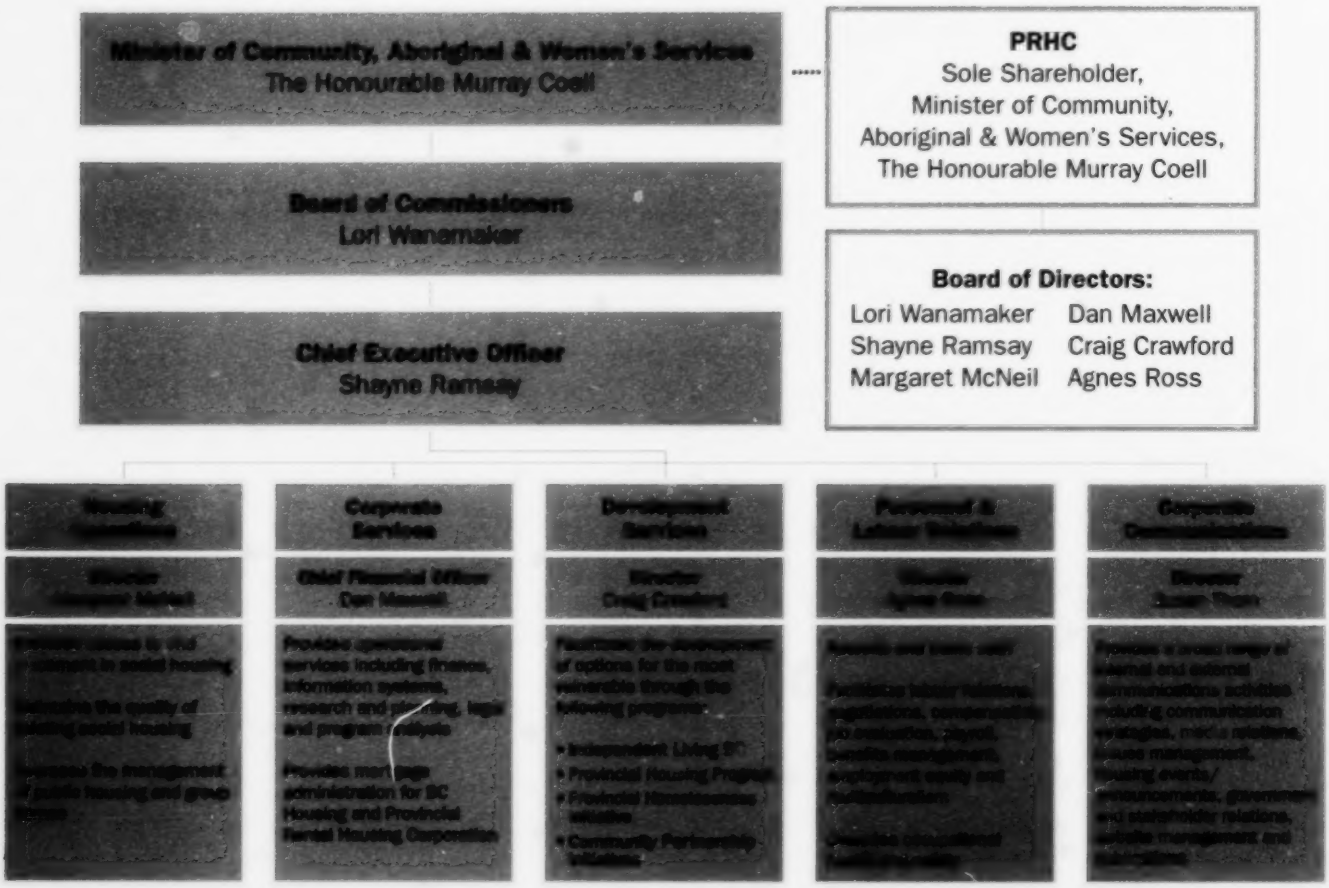
The board and BC Housing's staff are required to comply with BC Housing's Standards of Conduct policy.

[1] *The Board Resourcing and Development Office of the Premier, 2005.*

Governance

Organizational Chart and Key Responsibilities

The following chart highlights the key service areas within BC Housing as well as the responsibilities and accountabilities that fall within each area.



RELATIONSHIP TO THE PROVINCIAL RENTAL HOUSING CORPORATION (PRHC)

The Provincial Rental Housing Corporation (PRHC) was incorporated in 1973 under the *Business Corporations Act* and exists solely as BC Housing's land-holding company. PRHC buys, holds and disposes of provincially-owned social housing properties, and leases residential properties to non-profit societies and co-operatives. At present, PRHC holds properties with an original cost of over $400 million.

The minister responsible for housing in B.C. is the sole shareholder of PRHC. Because of its relationship with BC Housing, PRHC is administered by BC Housing. To ensure the appropriate governance links between the two entities, the Chair and senior management of BC Housing serve as PRHC's President and Directors respectively. PRHC does not employ any staff.

In recognition of PRHC's land-holding function, its governance relationship to BC Housing, and the fact that it does not have any employees, PRHC's functions and activities are reported in BC Housing's annual report. In addition, PRHC submits annual reports and financial statements under the *Business Corporations Act.*

Governance

ALIGNMENT WITH GOVERNMENT'S STRATEGIC PLAN

The provincial government recognizes that the health of our communities is equally important to our economic prosperity, our individual well-being, and the sustainability of our physical environment. Government promotes communities in which diversity is valued and British Columbians have a sense of personal and public safety. Promoting community services and creating an innovative social infrastructure through the goals and objectives in BC Housing's service plan are integral to achieving government's priorities.

As set out in BC Housing's Shareholder's Letter of Expectations, BC Housing's priority is to fulfill the government's commitment to meeting the housing needs of vulnerable British Columbians. We meet this priority by providing housing and ensuring that available housing is targeted to those in the greatest need.

GOVERNMENT'S 2004/05 - 2006/07 STRATEGIC PLAN

Goal: **A Supportive Social Fabric**
Strategy: Flexibility and Choice — Provide greater choice of living options for home and community care (p. 15)

Goal: **Safe, Healthy Communities and a Sustainable Environment**
Strategy: Community Services and Infrastructure — Implement a provincial housing strategy to address market and subsidized housing needs (p. 23)

SHAREHOLDER'S LETTER OF EXPECTATIONS

Ensure effective planning for, and management and delivery of, housing programs and services within BC Housing's 2005/06 budget as well as the budget targets and ministry transfers in BC Housing's 2005/06 - 2007/08 Service Plan by:

- **working in partnership with provincial health authorities, non-profit and private sectors, local governments and others to deliver the Independent Living BC program (3,500 units by 2006/07);**
- **completion of the Provincial Housing Program by 2006/07 (3,400 units approved since 2001); working with other provincial ministries and health authorities to establish long-term housing and support services to respond to the needs of homeless/at-risk individuals;**
- **developing partnerships that leverage equity contributions from municipal, non-profit and private sector partners; and,**
- **improving access to, and maximizing the use of, public housing for those with complex housing and health needs.**

FUTURE DIRECTIONS

In its 2005/06 - 2007/08 Strategic Plan, the government's strategic priorities include:

Goal: **A Supportive Social Fabric**
Strategies: Flexibility and Choice — Provide greater choice of living options for home and community care (p. 16);
Enhanced Individual and Community Capacity — Working with the Premier's Task Force on Homelessness, Mental Illness and Addictions, improve community-focused access to short- and long-term support services to address these challenges (p. 18)

Goal: **Safe, Healthy Communities and a Sustainable Environment**
Strategy: Community Services and Infrastructure — Implement the next phase of the provincial housing strategy to address market and subsidized housing needs (p. 24)

Governance

Organizational Chart and Key Responsibilities

The following chart highlights the key service areas within BC Housing as well as the responsibilities and accountabilities that fall within each area.

Minister of Community, Aboriginal & Women's Services
The Honourable Murray Coell

Board of Commissioners
Lori Wanamaker

Chief Executive Officer
Shayne Ramsay

PRHC
Sole Shareholder,
Minister of Community,
Aboriginal & Women's Services,
The Honourable Murray Coell

Board of Directors:

Lori Wanamaker	Dan Maxwell
Shayne Ramsay	Craig Crawford
Margaret McNeil	Agnes Ross

Housing Operations

Director
Margaret McNeil

Provides access to and placement in social housing

Maintains the quality of existing social housing

Oversees the management of public housing and group homes

Corporate Services

Chief Financial Officer
Dan Maxwell

Provides operational services including finance, information systems, research and planning, legal and program analysis

Provides mortgage administration for BC Housing and Provincial Rental Housing Corporation

Development Services

Director
Craig Crawford

Facilitates the development of options for the most vulnerable through the following programs:

- Independent Living BC
- Provincial Housing Program
- Provincial Homelessness Initiative
- Community Partnership Initiatives

Personnel & Labour Relations

Director
Agnes Ross

Recruits and trains staff

Facilitates labour relations, negotiations, compensation, job evaluation, payroll, benefits management, employment equity and multiculturalism

Oversees occupational health and safety

Corporate Communications

Director
Susan Thom

Provides a broad range of internal and external communications activities including communication strategies, media relations, issues management, housing events/ announcements, government and stakeholder relations, website management and publications

RELATIONSHIP TO THE PROVINCIAL RENTAL HOUSING CORPORATION (PRHC)

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In recognition of PRHC's land-holding function, its governance relationship to BC Housing, and the fact that it does not have any employees, PRHC's functions and activities are reported in BC Housing's annual report. In addition, PRHC submits annual reports and financial statements under the *Business Corporations Act*.

Governance

ALIGNMENT WITH GOVERNMENT'S STRATEGIC PLAN

The provincial government recognizes that the health of our communities is equally important to our economic prosperity, our individual well-being, and the sustainability of our physical environment. Government promotes communities in which diversity is valued and British Columbians have a sense of personal and public safety. Promoting community services and creating an innovative social infrastructure through the goals and objectives in BC Housing's service plan are integral to achieving government's priorities.

As set out in BC Housing's Shareholder's Letter of Expectations, BC Housing's priority is to fulfill the government's commitment to meeting the housing needs of vulnerable British Columbians. We meet this priority by providing housing and ensuring that available housing is targeted to those in the greatest need.

GOVERNMENT'S 2004/05 - 2006/07 STRATEGIC PLAN

Goal: **A Supportive Social Fabric**
Strategy: Flexibility and Choice — Provide greater choice of living options for home and community care (p. 15)

Goal: **Safe, Healthy Communities and a Sustainable Environment**
Strategy: Community Services and Infrastructure — Implement a provincial housing strategy to address market and subsidized housing needs (p. 23)

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Ensure effective planning for, and management and delivery of, housing programs and services within BC Housing's 2005/06 budget as well as the budget targets and ministry transfers in BC Housing's 2005/06 - 2007/08 Service Plan by:

- working in partnership with provincial health authorities, non-profit and private sectors, local governments and others to deliver the Independent Living BC program (3,500 units by 2006/07);
- completion of the Provincial Housing Program by 2006/07 (3,400 units approved since 2001); working with other provincial ministries and health authorities to establish long-term housing and support services to respond to the needs of homeless/at-risk individuals;
- developing partnerships that leverage equity contributions from municipal, non-profit and private sector partners; and,
- improving access to, and maximizing the use of, public housing for those with complex housing and health needs.

BC HOUSING'S GOALS AND OBJECTIVES

Goal: **Respond to gaps in housing supply**
Objective: Increased stock

Goal: **Protect and manage existing housing for the long term**
Objectives: Maintain the quality of the existing assets
Adequate provision for future requirements

Goal: **House eligible applicants and respond to those in greatest need**
Objectives: Facilitation of the application process
Available housing targeted to the most vulnerable

Goal: **Financial and operating success**
Objectives: Costs controlled
Value for money

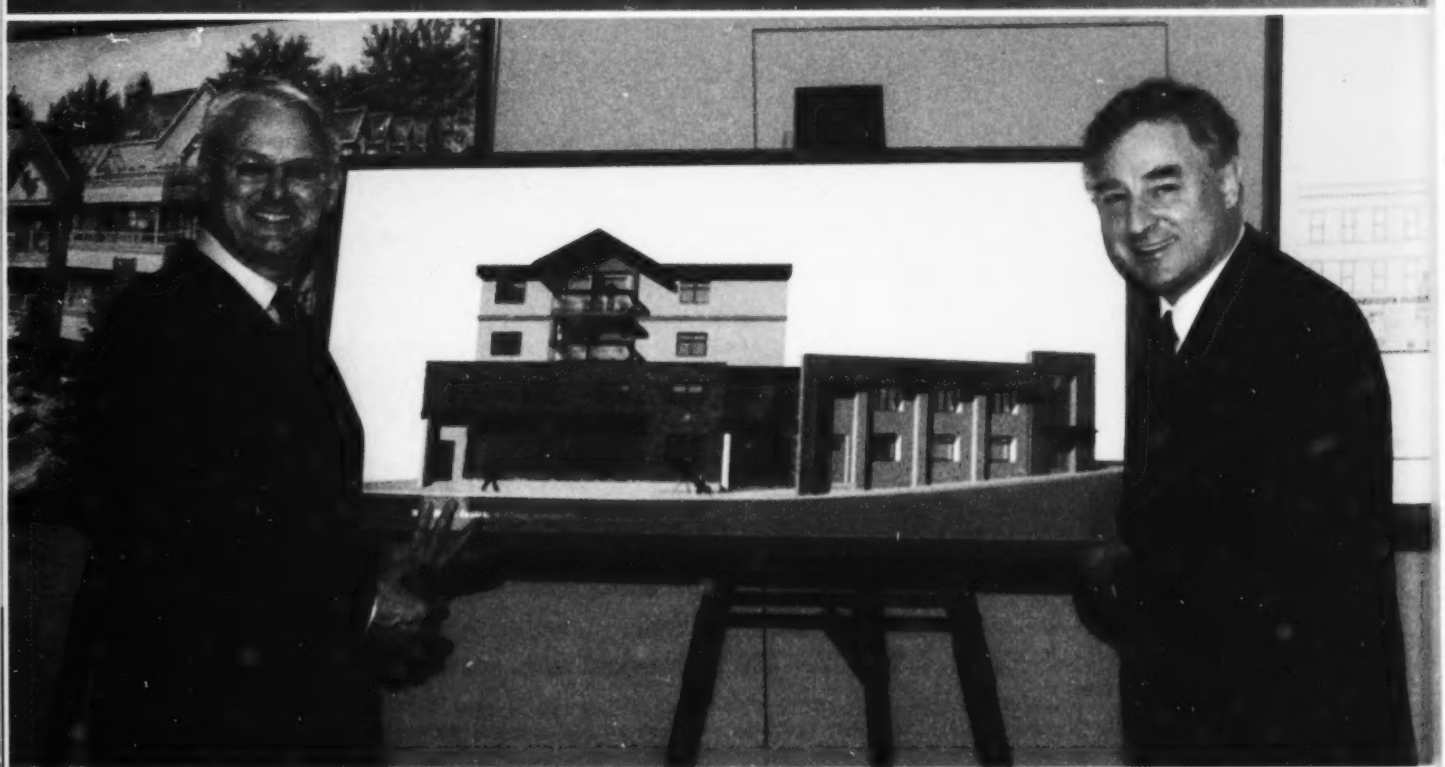
FUTURE DIRECTIONS

In its 2005/06 - 2007/08 Strategic Plan, the government's strategic priorities include:

Goal: **A Supportive Social Fabric**
Strategies: Flexibility and Choice — Provide greater choice of living options for home and community care (p. 16);
Enhanced Individual and Community Capacity — Working with the Premier's Task Force on Homelessness, Mental Illness and Addictions, improve community focused access to short- and long term support services to address these challenges (p. 18)

Goal: **Safe, Healthy Communities and a Sustainable Environment**
Strategy: Community Services and Infrastructure — Implement the next phase of the provincial housing strategy to address market and subsidized housing needs (p. 24)

Report on Performance



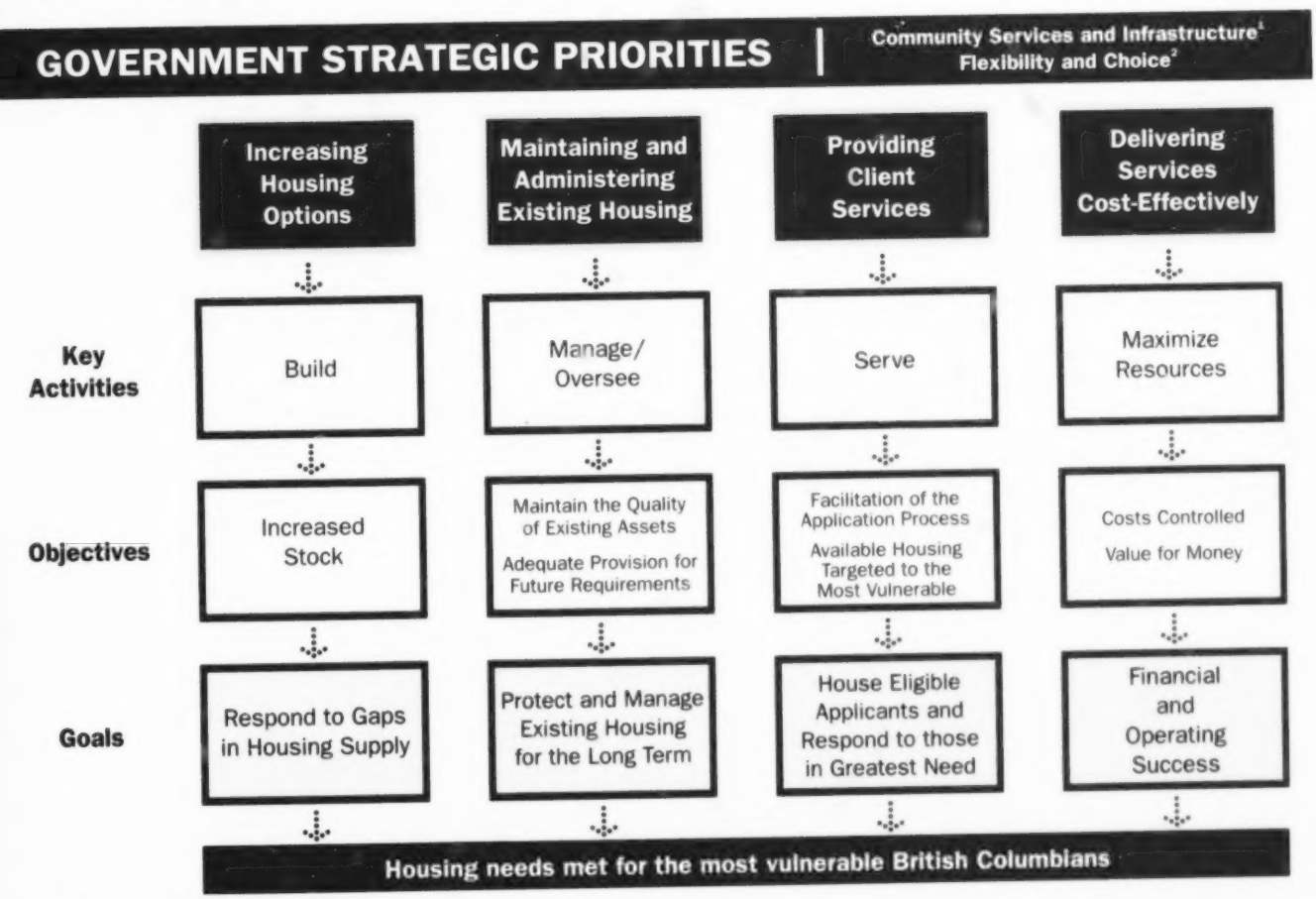
Premier Gordon Campbell and federal Industry Minister David Emerson at the first announcement for the Premier's Task Force on Homelessnes Mental Illness and Addictions present a rendering of 21 transitional housing units at Nanaimo's New Hope Centre.

Strategic Priorities and Core Business Activities

2004/05, BC Housing undertook a review of its goals, objectives, strategies and measures in order to create a sharper focus ong sectoral lines; create greater alignment with a few critical aspects of our performance; strengthen our reporting and easurement framework; and establish stronger linkages with government key strategies. As a result of this process, there were 0 critical measures identified. In some cases, these measures have remained consistent with those used in previous plans while other cases some measures were deleted and new ones added. BC Housing is extending its review to include a strategic perational planning process in 2005.

keeping with the requirements of the *Budget Transparency and Accountability Act* and the BC Reporting Principles, this section ighlights the changes introduced in 2004/05, reports on key performance highlights, and provides an overview of future irections. Where information is available, this year's performance is compared to previous years as well as with established enchmarks or industry standards. Appendix B compares our performance to the previous measures and targets in the 004/05 - 2006/07 Service Plan.

he following chart reflects BC Housing's key strategic priorities and core business activities.



[1] *Provincial Government Strategic Plan 2004/05 - 2006/07: page 23.*
[2] *Provincial Government Strategic Plan 2004/05 - 2006/07: page 15.*

Performance Summary

Goals & Measures	2002/03 Results	2003/04 Results	2004/05 Baseline	2004/05 Results	2005/06 Targets
GOAL 1 Respond to gaps in housing supply					
Measures:					
• Inventory of subsidized housing	54,500	55,600	56,500[1]	55,709	57,500
• Number of new housing units created	1,915	1,230	1,710[2]	1,107	2,198
GOAL 2 Protect and manage existing housing for the long term					
Measures:					
• Percentage of social housing developments meeting "best management practices"	new measure	new measure	≥95%	96%[3]	≥95%
• Percentage of clients reporting satisfaction with the quality and safety of their housing	87%	83%	≥77%	84%[4]	≥79%
• Level of funding for future improvements to stock	new measure	new measure	new measure	new measure	establish baseline
GOAL 3 House eligible applicants and respond to those in greatest need					
Measures:					
• Percentage of new applicants reporting satisfaction with the process	new measure	new measure	new measure	new measure	≥75%
• Percentage of units represented through The Housing Registry	24%	28%	≥32%	33%	≥35%
• Percentage of tenants belonging to priority groups	77%	79%	≥80%	80%	≥82%
GOAL 4 Financial and operating success					
Measures:					
• Year-over-year increases in controllable operating costs	new measure	new measure	≤2.1%[5]	2%	at or below inflation
• Per-square-foot construction costs	new measure	new measure	new measure	new measure	competitive with the market

[1]Revised from the 2004/05 - 2006/07 Service Plan target of 56,300 to reflect the inclusion of additional units levered through BC Housing's Community Partnership Initiatives (CPI).

[2]Revised from the 2004/05 - 2006/07 Service Plan target of 1,487 to reflect the inclusion of the additional units levered through CPI.

[3]Reflects data for approximately 81 per cent of the total social housing stock in 2004/05. The 2005/06 - 2007/08 Service Plan includes plans to expand this measure to cover the entire portfolio of social housing stock.

[4]Reflects the data for the public housing stock only. Plans for the 2005/06 - 2007/08 Service Plan include expanding this measure to cover the entire portfolio of social housing stock.

[5]The latest inflation figures from Statistics Canada (April 22, 2005) showed an increase of 2.3 per cent across Canada and of 2.1 per cent for B.C. from March 2004 to March 2005.

Minister responsible for Housing Murray Coell with tenant and caregiver at Kiwanis House in Nanaimo.

Angus Place — 33 units of supportive seniors' housing operated by Parkdale Place Housing Society in Summerland and developed in partnership with BC Housing, CMHC and District of Summerland.

Vancouver's Mole Hill Community Housing Development — 170 units in restored heritage homes.

Goal

Respond to Gaps in the Housing Supply

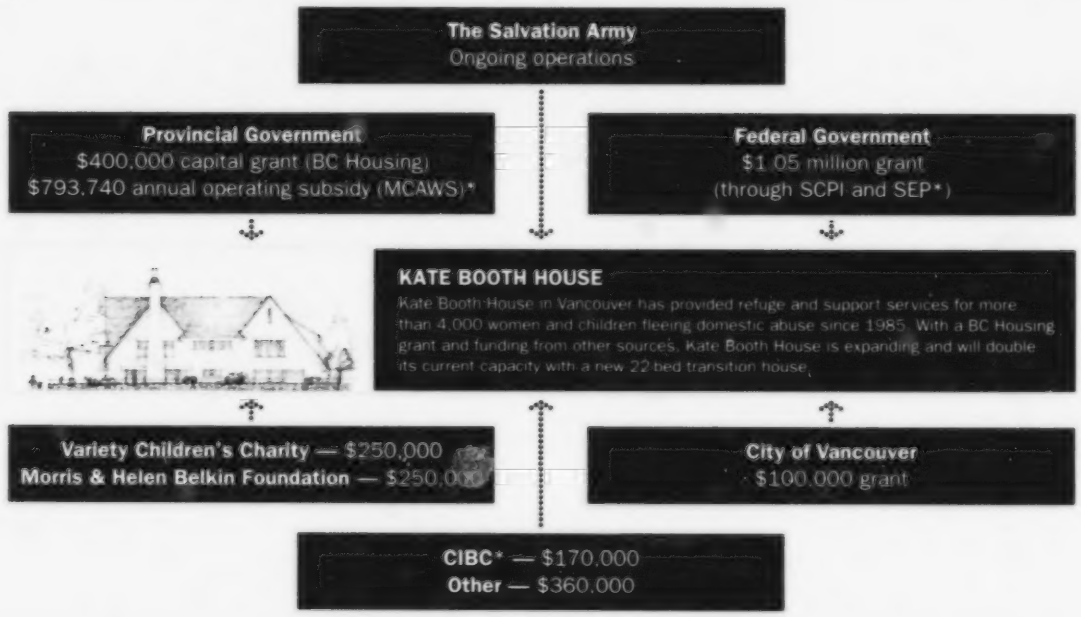
BC Housing responds to gaps and emerging needs in the housing supply by expanding the range of housing options through newly built developments and converted or redeveloped buildings. The provision of rent assistance for households in the private market is another important strategy for responding to gaps in the housing supply.

In 2004/05, 55,709 households across B.C. were assisted through subsidized housing, and 1,107 new housing units were added. There are four ways in which BC Housing facilitates an increased supply of subsidized housing:

- **Independent Living BC (ILBC)** A housing-for-health partnership designed to meet the needs of seniors and people with disabilities who require some personal assistance, but do not need 24-hour facility care. This year, 564 units were completed bringing the total number of units providing supports for seniors in their communities to more than 800. Once the ILBC units are completed, BC Housing will provide $20.2 million annually to subsidize the housing component. Provincial health authorities provide the funding for support services.
- **Provincial Homelessness Initiative (PHI)** This newly announced initiative, which emerged from the work of the Premier's Task Force on Homelessness, Mental Illness and Addictions, will provide a continuum of affordable housing with support services for individuals who are homeless or at risk of homelessness. In 2004/05, 533 units were announced under this initiative with additional units to follow in 2005/06. The provincial and federal governments have each contributed about $42 million, of which $53 million has been allocated.
- **Provincial Housing Program (PHP)** This program helps fund the creation of new non-profit and co-operative developments that provide safe, secure and affordable housing for families and individuals. Approximately 190 units were completed this year. The program will conclude in 2006/07 with a total of 7,800 units since the program's inception in 1994. Once completed, subsidies will total $55.7 million annually.
- **Community Partnership Initiatives (CPI)** Through one-time grants, access to consulting services, project development funding, and the provision of construction and long-term financing, BC Housing supports innovative strategies and partnership initiatives to create housing that does not require ongoing operating subsidies. In 2004/05, BC Housing partnered with non-profit societies, municipalities and the federal government to create an additional 353 units with BC Housing grants of approximately $3.5 million.

Together these programs provide a continuum of housing options that addresses a variety of housing and support needs.

A public-private partnership approach is used to create all new subsidized housing where developments are designed and built by the private sector, and owned and managed by private, non-profit or co-operative housing providers. During the development phase, BC Housing acts as a facilitator and also conducts due diligence activities. Once completed, BC Housing often administers the subsidies for the ongoing operation of this housing and monitors performance.


The Salvation Army
Ongoing operations
Provincial Government
$400,000 capital grant (BC Housing)
$793,740 annual operating subsidy (MCAWS)*
Federal Government
$1.05 million grant
(through SCPI and SEP*)
KATE BOOTH HOUSE
Kate Booth House in Vancouver has provided refuge and support services for more than 4,000 women and children fleeing domestic abuse since 1985. With a BC Housing grant and funding from other sources, Kate Booth House is expanding and will double its current capacity with a new 22-bed transition house.
Variety Children's Charity — $250,000
Morris & Helen Belkin Foundation — $250,000
City of Vancouver
$100,000 grant
CIBC* — $170,000
Other — $360,000

MCAWS (Ministry of Community, Aboriginal and Women's Services); SCPI (Supporting Communities Partnership Initiative); SEP (Shelter Enhancement Program); CIBC (Canadian Imperial Bank of Commerce)

PERFORMANCE HIGHLIGHTS

These charts show the inventory of subsidized units across the province and the number of units created in 2004/05. Increasing stock and responding to gaps in the housing supply are two important measures of BC Housing's performance.

MEASURE 1 Inventory of subsidized housing

2002/03 Actual	2003/04 Actual	2004/05 Baseline	2004/05 Actual	2005/06 Target	2006/07 Target
54,500	55,600	56,500	55,709	57,500	58,400

RESULT **TARGET 99% ACHIEVED**

Importance of the Measure

In 2004/05, the existing inventory of subsidized housing helped 55,709 households including those living in public housing, non-profit and co-op housing, as well as households receiving rent assistance in the private market.

Data Source/Reporting Period **BC Housing INHOUSE System - April 1, 2004 to March 31, 2005**

Limitations/Changes

This measure was previously reported in BC Housing's service plan as part of the Business Overview. There is no change in the way this measure is determined. There is no direct correlation between the number of new units created and an increase in the inventory of subsidized housing. This is due to changes in administrative arrangements, levels of take-up, and program or portfolio changes through the year.

MEASURE 2 Number of new housing units created

2002/03 Actual	2003/04 Actual	2004/05 Baseline	2004/05 Actual	2005/06 Target	2006/07 Target
1,915	1,230	1,710	1,107	2,198	925

RESULT **TARGET 65% ACHIEVED**

Importance of the Measure

This measure includes all units expected to reach completion and/or receive subsidy during the reporting period. In 2004/05, 1,107 new housing units were created. The target was not achieved for this measure in 2004/05. The shortfall is mostly attributable to the complexity of the ILBC program.

Data Source/Reporting Period **BC Housing BILD System - April 1, 2004 to March 31, 2005**

Limitations/Changes

There are no changes to this measure. However, the 2004/05 baseline was adjusted upward to reflect additional units leveraged under Community Partnership Initiatives.

FUTURE DIRECTIONS

While our current strategies enabled us to add more than 1,100 new units to the existing housing stock, this fell short of the target. For those projects that are currently in development, BC Housing is working with the project partners to identify opportunities to expedite the delivery schedules. These opportunities may include fast-tracking the design process and encouraging the various partners to finalize their approval processes in a timely fashion. In addition to continuing to work to meet existing commitments under the ILBC program, future plans include the delivery of additional transitional/supportive housing in targeted communities across the province in response to local priorities identified through the Premier's Task Force on Homelessness, Mental Illness and Addictions.

Goal

Protect and Manage Existing Housing for the Long Term

The existing social housing portfolio represents homes to approximately 41,500 households in more than 140 communities across the province. Our responsibility is to ensure that this housing is well managed and well maintained and that provisions are in place to preserve and protect this stock for the future.

There are various delivery models that comprise social housing including public housing, group homes, non-profit housing and co-operative housing.

BC Housing plays an active role in the effective planning and management of 7,756 public housing units. BC Housing also provides administration and property management support for approximately 300 group homes on behalf of other provincial ministries and health authorities.

BC Housing respects the expertise of housing providers — they know their communities and how best to serve those in need. BC Housing provides financial, administrative and technical support to these groups, as well as administering long-term operating agreements and managing the flow of subsidies. In administering these programs, BC Housing's role is one of stewardship and accountability with an emphasis on working with housing providers to ensure that "best management practices" are employed.

There are approximately 33,746 units of subsidized housing managed by over 650 different housing providers with which BC Housing has a funding relationship. In 2004/05, BC Housing provided approximately $183.5 million, almost two-thirds of its budget, in subsidies to support non-profit housing providers. We will continue to work with housing partners to explore cost-effective, efficient and culturally-sensitive solutions to meet local needs.

This ceremony, at the Mungo Martin Big House in Victoria, celebrated the beginning of the devolution of social housing stock to Aboriginal people in British Columbia. Respect for the leadership and expertise of housing providers was the cornerstone of an agreement signed in October 2004 that transferred management of 189 housing units from BC Housing to the Aboriginal Housing Management Association. This is an important step toward Aboriginal self management of social housing, creating new opportunities for Aboriginal communities across the province to improve people's lives by giving increased control over how all aspects of their housing are managed. The agreement is the first of its kind in Canada and sets a precedent for future devolution of Aboriginal housing towards self-management by the Aboriginal community.

PERFORMANCE HIGHLIGHTS

Given the importance of this housing asset, the measures in this section provide insight into the management and maintenance of social housing as well as the extent to which there are adequate provisions in place for future requirements.

MEASURE 1 Percentage of social housing developments meeting the "best management practices"

2002/03 Actual	2003/04 Actual	2004/05 Baseline	2004/05 Actual	2005/06 Target	2006/07 Target
•	97%	≥95%	96%	≥95%	≥95%

RESULT TARGET ACHIEVED

Importance of the Measure

Financial and operational standards are set out in operating agreements with housing providers. In 2004/05, 96 per cent of all housing providers reviewed met or exceeded the standards.

Data Source/Reporting Period Housing Provider Profile - April 1, 2004 to March 31, 2005

Limitations/Changes

This is a partial picture as the data currently captured in the Housing Provider Profile (HPP) only includes 81 per cent of the social housing inventory. Future reporting will be done on a portfolio-wide basis.

MEASURE 2 Percentage of clients reporting satisfaction with the quality and safety of their housing

2002/03 Actual	2003/04 Actual	2004/05 Baseline	2004/05 Actual	2005/06 Target	2006/07 Target
87%	83%	≥77%	84%	≥79%	≥80%

RESULT **TARGET EXCEEDED**

Importance of the Measure

This measure reflects the level of tenant satisfaction with the quality of the management and services provided. In 2004/05, 84 per cent of those who responded to the survey reported that they were satisfied or very satisfied with their current housing.

Data Source/Reporting Period **BC Housing Tenant Satisfaction Survey - April 1, 2004 to March 31, 2005**

Limitations/Changes

This represents a partial picture as the data captured through the tenant satisfaction survey currently includes only the public housing portfolio (approximately 19 per cent of the social housing inventory). Future reporting will capture feedback from across the entire social housing sector (public housing as well as a representative sample of non-profit and co-op housing providers). The findings that are reported are based on a sample of 3,200 responses, which represent a response rate of 40 per cent.

MEASURE 3 Level of funding for future improvements to the stock

2002/03 Actual	2003/04 Actual	2004/05 Baseline	2004/05 Actual	2005/06 Target	2006/07 Target
•	•	•	•	Establish baseline	TBD

RESULT **TO BE IMPLEMENTED IN 2005/06**

Importance of the Measure

As the social housing portfolio ages, appropriate funding provisions are required to preserve and maintain the asset over the long term. Baseline data will be captured in 2005/06 to ensure that funding provisions are in place for meeting future needs across all social housing developments.

Data Source/Reporting Period **Data collection to begin in 2005/06**

Limitations/Changes

The 2004/05 - 2006/07 Service Plan reports on the number of modernization and improvement projects completed during the reporting period and the expenditures associated with this work. Changes introduced through the 2005/06 - 2007/08 Service Plan have broadened the focus to capture information on a portfolio-wide basis.

FUTURE DIRECTIONS

Our performance for 2004/05 was strong both in meeting the operational and financial standards which comprise the "best management practices" and in terms of the feedback received from tenants. Together these results provide evidence of the quality of housing provided and our success in meeting the needs of tenants. Sustaining this level of success over the longer term with the aging housing portfolio and changing needs of tenants is an important future challenge. To allow us to better track and report on our performance in these areas, enhancements to future reporting will include an emphasis on portfolio-wide planning and reporting as well as benchmarking performance with our delivery partners.

Goal

House Eligible Applicants and Respond to Those in Greatest Need

Government-subsidized housing is an important part of the housing continuum. Finding creative ways to help British Columbians gain access to affordable housing is a priority.

In 2004/05, more than 13,000 households applied for social housing through The Housing Registry. These include frail seniors, persons with physical or mental disabilities, individuals who were homeless or those at risk of homelessness, as well as women with their children fleeing abuse.

Access to safe, affordable and sustainable housing is often just the first step. Support services are sometimes needed to enable an individual to gain independence and self-reliance. Unique partnerships with health authorities and community service organizations are helping to ensure that tenants have the support services they need. For example, at Grandview Terrace, a 98-unit public housing development in Vancouver, a partnership with the Canadian Mental Health Association (CMHA) provides social, recreational and wellness services to tenants, many of whom are frail elderly or experiencing chronic physical and/or mental health issues.

The provision of targeted rent assistance to households in the private rental market is also key to the province's housing strategy. In 2004/05, BC Housing provided $24.6 million in rent assistance to 14,207 households, giving families and individuals an expanded range of housing options in their community. Targeted programs, such as Shelter Aid for Elderly Renters (SAFER) for seniors, and Independent Living BC (ILBC) for frail and aging seniors and people with disabilities, give people the help they need to remain in their community in existing private rental housing.

Many vulnerable tenants at Grandview Terrace in Vancouver were socially isolated and faced multiple barriers to services and programs in the community. This has changed through a partnership with the Canadian Mental Health Association. An on-site office and staff now provide support services that decrease social isolation and increase wellness through activities and nutrition programs.

PERFORMANCE HIGHLIGHTS

The measures in this section provide insight into the extent to which BC Housing has been successful in meeting the needs of applicants and in helping those who are most vulnerable gain access to the housing that they need.

MEASURE 1 Percentage of new applicants reporting satisfaction with the process

2002/03 Actual	2003/04 Actual	2004/05 Baseline	2004/05 Actual	2005/06 Target	2006/07 Target
•	•	•	•	≥75%	≥75%

RESULT TO BE IMPLEMENTED IN 2005/06

Importance of the Measure

This measure will capture information on the satisfaction of applicants with the application process and information that they received when applying for housing. The data will help to improve client-based services and ensure that the needs of the most vulnerable individuals are being met.

Data Source/Reporting Period **Self-administered survey to be completed at the time of application**

Limitations/Changes

This is a new measure that will be implemented in 2005/06.

MEASURE 2 Percentage of units represented through The Housing Registry

2002/03 Actual	2003/04 Actual	2004/05 Baseline	2004/05 Actual	2005/06 Target	2006/07 Target
24%	28%	≥32%	33%	≥35%	≥38%

RESULT TARGET ACHIEVED

Importance of the Measure

The Housing Registry is a centralized database of applicant information and housing providers. It allows applicants to request housing with multiple providers using one application form. In 2004/05, 11 housing providers joined The Housing Registry. This brings the total number of housing providers participating to 34 (including BC Housing) and represents 33 per cent of the inventory of provincially-funded social housing.

Data Source/Reporting Period **Statistics maintained by Housing Services - April 1, 2004 to March 31, 2005**

Limitations/Changes

In 2004/05, this measure was revised to reflect the number of units that are part of The Housing Registry, rather than the number of housing providers participating.

MEASURE 3 Percentage of tenants belonging to priority groups

2002/03 Actual	2003/04 Actual	2004/05 Baseline	2004/05 Actual	2005/06 Target	2006/07 Target
77%	79%	≥80%	80%	≥82%	≥84%

RESULT TARGET ACHIEVED

Importance of the Measure

Current priority groups include persons with physical and mental disabilities, chronic health challenges including mental illness and addictions, frail and aging seniors, homeless individuals or those at risk of homelessness, and women with their children fleeing abuse. In 2004/05, 80 per cent of the existing inventory of subsidized housing served individuals in the designated priority groups.

Data Source/Reporting Period **Statistics captured in BC Housing's INHOUSE system - April 1, 2004 to March 31, 2005**

Limitations/Changes

This is a new measure that reflects the entire inventory of subsidized housing targeted to those with complex housing and health needs. The extent to which designated priority groups are able to access social housing is likely under-reported due to limitations in the information available on their health status and housing and support needs. Future reporting will include feedback from across the entire social housing sector (public housing as well as a representative sample of non-profit and co-op housing providers). The percentage of targeted groups assisted is expected to increase as new units are completed or existing units become available through turnover.

FUTURE DIRECTIONS

Access to stable housing plays an important role in enabling vulnerable families and individuals to move toward self-reliance, independence and opportunity. It also allows frail and aging seniors to maintain or regain their independence. Ensuring that vulnerable families and individuals have access to the housing and support that they need will continue to be an important organizational priority. In addition, it is important to ensure that this housing continues to serve the needs of the most vulnerable over the longer term. This may mean making changes or modifications to existing developments in order to better respond to the specific needs of those living there. It may also mean entering into partnership strategies and initiatives designed to ensure that appropriate programs and services are in place to better support those with complex housing and health needs.

Goal

Financial and Operating Success

To build and maintain a housing system that can be sustained over the longer term, BC Housing is committed to the principles of providing cost-effective solutions while at the same time protecting public investments. To reach this end, an emphasis is placed on strategies and initiatives that maximize the use of limited housing dollars. Providing effective financial oversight, controlling costs and leveraging resources are central to this success.

PERFORMANCE HIGHLIGHTS

The measures in this section provide information on the efficiencies, cost-effectiveness and competitiveness of our management practices and strategies.

MEASURE 1 Year-over-year increase in controllable operating costs

2002/03 Actual	2003/04 Actual	2004/05 Baseline	2004/05 Actual	2005/06 Target	2006/07 Target
•	•	2.1%	2%	At or below inflation	

RESULT TARGET ACHIEVED

Importance of the Measure

This is an important measure of the efficiency of our management practices. Data captured for 2004/05 show a net increase in controllable operating costs of approximately two per cent which is within the established target.

Data Source/Reporting Period **BC Housing INHOUSE System - April 1, 2004 to March 31, 2005**

Limitations/Changes

This is a new measure. It is calculated on a portfolio-wide basis and includes costs directly related to operating, managing and maintaining the portfolio, but excludes other costs such as taxes, utilities, replacement reserves or mortgage payments. The results are benchmarked with the Statistics Canada Consumer Price Index (CPI).

MEASURE 2 Per-square-foot construction costs

2002/03 Actual	2003/04 Actual	2004/05 Baseline	2004/05 Actual	2005/06 Target	2006/07 Target
•	•	•	•	Competitive with the market	

RESULT TO BE IMPLEMENTED IN 2005/06

Importance of the Measure

This is a new measure that will enable us to compare our costs and trends to those in the private market. The results will help to ensure that our costs are competitive and that value for money is achieved.

Data Source/Reporting Period **Independent external verification will be used in 2005/06**

Limitations/Changes

Given the unique nature of the development and/or needs being met through this housing, it may be difficult finding comparable private market developments. In addition, there is significant variation in the cost of the land, material, labour and financing. To respond to these challenges BC Housing will make use of quantity surveyors and industry experts to identify appropriate standards and benchmarks.

FUTURE DIRECTIONS

BC Housing, like all areas of government, will continue to operate in an environment of significant change. To successfully manage this, it is necessary to optimize the use of the existing housing resources while looking for new opportunities and ways to help those in the greatest housing need.

Good Samaritan's Village by the Station in Penticton.

...tion Army's Belkin House combines emergency shelter, transitional housing and resource programs ...ancouver.

Ribbon cutting for Glen Arbor in Williams Lake.

Financial

Tenants at Kiwanis Lodge in Nanaimo

Management Discussion and Analysis

OPERATIONAL OVERVIEW — 2004/05 ACTUALS

Funding	Key Activities	Program Expenditures	Service Allocation
Provincial Government **$147.9 M**	Build	Operating Expenses for Public Housing **$55 M**[1]	Public Housing **7,756 Units**
Federal Government **$90.2 M**	Manage/Oversee	Subsidies to Non-Profit and Co-operative Housing **$183.5 M**	Non-Profit and Co-operative Housing **33,746 Units**
Tenant Rent **$29.7 M**	Serve	Rent Supplement Assistance **$24.6 M**	Tenants Living in the Private Rental Market **14,207 Units**
Provincial Partnering Ministries **$9.9 M**	Maximize Resources	Administration **$20.6 M**	
Other **$6.1 M**			
Total Revenues $283.8 M	**Total Staff FTEs 357**	**Total Expenses $283.7 M**	**Total Units 55,709**

[1] *Net of tenant rent of $29.7 million = $25.3 million*

BC Housing continued to provide affordable, safe, quality housing to B.C.'s most vulnerable citizens. In 2004/05, $283.7 was spent on developing, maintaining and managing 55,709 housing units through a mix of program options, of which 93 per cent was attributed to direct program operating costs, subsidies and rent assistance.

SUMMARY OF FINANCIAL RESULTS AND BUDGET PROJECTIONS — 2000/01 TO 2007/08
(IN THOUSANDS OF DOLLARS)

	2000/01 ACTUAL $	2001/02 ACTUAL $	2002/03 ACTUAL $	2003/04 ACTUAL $	2004/05 ACTUAL $	2004/05 APPROVED $	BUDGET VARIANCE $	YEAR VARIANCE $	2005/06 FORECAST $	2006/07 FORECAST $	2007/08 FORECAST $
Revenues											
Provincial Share*	111,897	138,755	141,237	151,365	157,831	159,944	(2,113)	6,466	171,591	161,165	166,206
Federal Share	79,294	82,161	84,676	91,498	90,237	98,788	(8,551)	(1,261)	104,749	95,675	89,913
Other**	37,108	38,903	37,317	35,897	35,703	33,901	1,802	(194)	34,363	34,990	35,630
Total Revenues	228,299	259,819	263,230	278,760	283,771	292,633	(8,862)	5,011	310,703	291,830	291,749
Expenditures											
Public Housing	47,012	51,907	51,549	52,870	55,033	56,128	(1,095)	2,163	61,684	53,854	54,132
Non Profit & Housing Co-operatives	135,871	159,435	164,422	179,753	183,505	186,317	(2,812)	3,752	199,410	186,409	186,777
Rent Supplement Assistance	26,399	27,486	26,390	25,919	24,571	29,712	(5,141)	(1,348)	27,628	29,015	28,881
Administration	19,008	20,662	20,829	20,146	20,595	20,476	119	449	21,981	22,552	21,959
Total Expenditures	228,290	259,490	263,190	278,688	283,704	292,633	(8,929)	5,016	310,703	291,830	291,749
Excess of revenue over expenditures	9	329	40	72	67				-	-	-

* *In 2004/05, this includes funding of $147.9 million provided directly by the provincial government to BC Housing, plus $9.9 million provincial funding provided through other provincial partnering ministries.*

** *This includes tenant rent and revenue from other sources.*

In 2004/05, total provincial spending through BC Housing was $157.8 million, an increase of four per cent over the $151.3 million spent in 2003/04. The majority of this $6.5 million increase is additional funding received in order to meet the Provincial Homelessness Initiative's commitment of $5.5 million announced in December 2004. The balance of the increase is to further the delivery of new housing under ILBC; for building envelope repairs to non-profit projects; and for health and safety upgrades to the aging social housing stock.

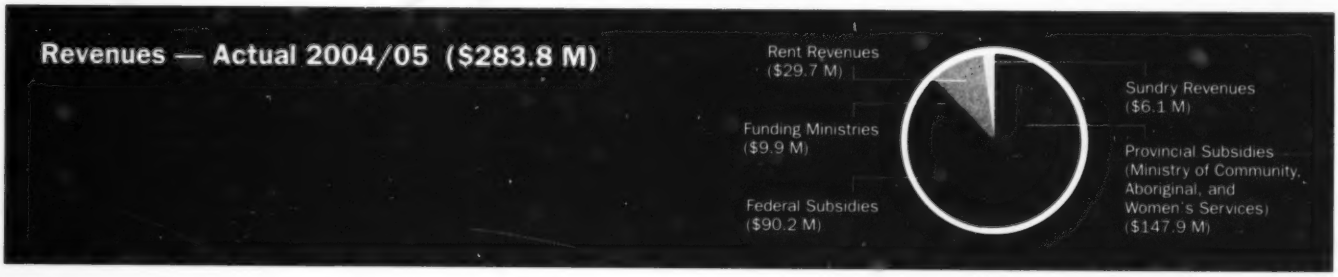
Management Discussion and Analysis cont'd

ASSETS

Total assets increased by 12 per cent or $11.2 million in 2004/05, mostly due to increased lending activity. Working with community partners, BC Housing, as an approved lender under the *National Housing Act* (NHA), provides short-term funding to non-profit societies in the development, construction or renovation of housing projects. Once completed, these projects are owned by the non-profit societies or the Provincial Rental Housing Corporation (PRHC). At March 31, 2005, $11.9 million in construction loans and $7.4 million in proposal development advances were provided to housing providers for 807 housing units.

REVENUES

BC Housing received total revenues of $283.8 million in 2004/05, an increase of two per cent over the prior year. The main revenue sources consist of provincial contributions (56 per cent), federal contributions (32 per cent) and tenant rents (10 per cent).


Revenues — Actual 2004/05 ($283.8 M)
Rent Revenues ($29.7 M)
Funding Ministries ($9.9 M)
Federal Subsidies ($90.2 M)
Sundry Revenues ($6.1 M)
Provincial Subsidies (Ministry of Community, Aboriginal, and Women's Services) ($147.9 M)

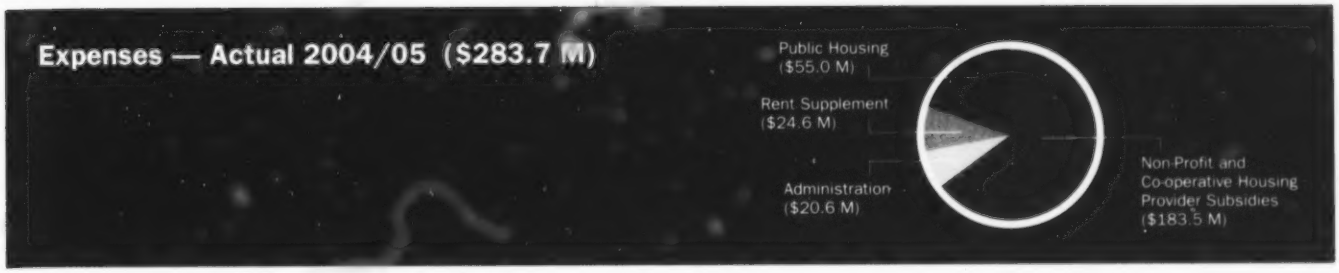
Provincial subsidies increased by $8.5 million in 2004/05, while contributions from partnering ministries (Children and Family Development, Human Resources and Health through various Health Authorities) decreased by $2.1 million over the prior year. Funding from ministries for the delivery of a range of housing programs and services account for about three per cent of BC Housing's gross revenue.

Through Canada Mortgage Housing Corporation (CMHC), total contributions from federal subsidies for 2004/05 were $90.2 million, a decrease of one per cent over the prior year. Repairs under the building envelope repair, and modernization and improvement projects are cost-shared with the federal government under various CMHC programs. Costs for building envelope repairs were mitigated in 2004/05 by securing contributions from the parties responsible for the original design, construction and inspection of the buildings, thereby also reducing the share of costs funded by CMHC. Total CMHC contributions were $8.6 million less than budget as a result of these recoveries and mortgage renewals made at lower interest rates than budgeted.

PROGRAM EXPENDITURES AND CONTROLLING COSTS

Total expenditures for 2004/05 were $283.7 million, an increase of two per cent. The $5 million increase was primarily due to additional subsidy payments made during the year for new housing units, grants provided under the Community Partnership Initiatives (CPI) program, and increased operating costs such as insurance. However, these additional costs were partially offset by implementing strategies to ensure services are delivered in the most cost-effective manner resulting in cost savings in building mortgage costs, costs recoveries for building envelope repairs, and reductions in office and overhead expenditures.

Subsidy payments to non-profit and co-op housing providers comprise 61 per cent of all costs and continue to be the largest component of BC Housing's budget. Total subsidies increased by 4.6 per cent over the prior year and will continue to increase into 2006/07 as new ILBC units are completed.


Expenses — Actual 2004/05 ($283.7 M)
Public Housing ($55.0 M)
Rent Supplement ($24.6 M)
Administration ($20.6 M)
Non-Profit and Co-operative Housing Provider Subsidies ($183.5 M)

BC Housing also provided capital subsidies through the CPI program (wholly provincial) and the Canada-BC Affordable Housing Agreement (cost-shared under various funding agreements with CMHC) as leverage for housing providers to bring together other financial resources and community partners, thereby reducing the need for ongoing operating subsidies from BC Housing.

Rent supplement program expenditures decreased 10 per cent over the previous year and were $5.1 million less than budget, partially due to the completion of fewer new units than budgeted. Rent supplements paid under the Shelter Aid for Elderly Renters program (SAFER), a program to respond to the needs of seniors renting in the private market, decreased by six per cent due to low rent ceilings. As of March 31, 2005, 11,846 seniors received assistance. In 2004/05, the Select Standing Committee on Finance and Government Services recommended that rent ceilings be increased.

BC Housing's expenditures for modernization and improvement projects ensure that the existing housing stock is protected and managed for the long term. Total modernization and improvement expenditures in 2004/05 were $40.4 million, which is comprised of $20.4 million for building envelope repairs and $20 million for all other major repairs. Building envelope repair costs increased by three per cent. To date $76 million in repairs have been completed and an estimated $144 million in additional building repair costs are anticipated. A total of 62 buildings were under repair during 2004/05. As part of the ongoing critical health and safety repairs, and to mitigate potential losses in the future, $1.8 million was invested in seismic upgrades at Maclean Park Extension. A $1.5 million exterior building upgrade was also completed at the Fort St. John Family development.

Utility costs increased by one per cent; however, actual costs were 10 per cent less than budgeted as BC Housing continues to realize savings through the bulk natural gas purchase strategy. The negotiated price for natural gas in 2004/05 was 17 per cent below budget. In addition, ongoing energy-efficiency measures, such as window replacements and retrofit energy reviews, helped to contain rising costs.

Building maintenance costs were six per cent higher than the prior year and 1.4 per cent higher than budget as a result of repairs required due to severe smoke and fire damage at the Tradewinds Terrace development in Merritt.

BC Housing self-insures for future claims and losses. Insurance costs for 2004/05 increased $1.6 million from the prior year in order to build an adequate fund for potential losses and claims on the aging social housing portfolio.

BC Housing continued to identify and implement strategies to control office and overhead costs. Administrative expenses, which account for seven per cent of total expenditures, declined and were five per cent less than the prior year primarily due to reduced costs for communication (18.7 per cent), legal (34.7 per cent) and consulting (14.2 per cent).

BC Housing also delivered a number of other housing programs including:

- Building management support and administration services on a cost-recovery basis to the ministries of Children and Family Development and Human Resources. In 2004/05, BC Housing was responsible for the administration of more than 300 group homes providing over 2,950 housing units at a cost of over $15 million.

Management Discussion and Analysis cont'd

- The Supported Independent Living (SIL) program, in partnership with the Fraser, Northern, Vancouver Coastal and Vancouver Island health authorities, provides rent assistance to individuals with severe and persistent mental illness to enable them to live independently in affordable, self-contained housing. The health authorities fund the shelter component, and BC Housing administered the program at a cost of $2.6 million.
- BC Housing's Health Services Program, funded through the Provincial Health Services Authority, is designed to provide access to social housing for individuals who have been diagnosed with a mental illness. The annual cost of the program is $700,000.

MANAGING RISK

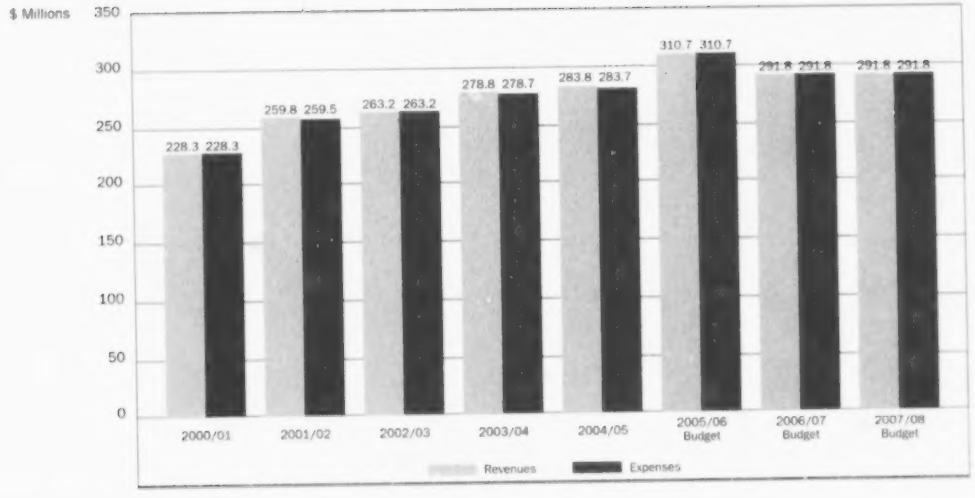
BC Housing uses an enterprise-wide risk-management approach (as identified below) to identify and manage risks. All key operating departments determine risks, challenges and opportunities. Risk-management strategies are then employed that balance current and future market and budget pressures with timing and implementation strategies.

Key Risks	Sensitivities	Risk Mitigation Strategy
Mortgage / interest rate fluctuations	• a 1 per cent increase above the budgeted mortgage rate increases housing subsidies by about $3.4 million in 2005/06 ($2.3 million provincial share) and up to $7.8 million in 2007/08 ($5.3 million provincial share)	• bulk tendering of mortgages • laddered renewal dates with less than 20 per cent of portfolio renewed in a year • staggered mortgage terms • locked-in longer mortgage terms at lower interest rates • low-interest construction financing that reduces new housing capital costs which reduces ongoing subsidies
Construction cost increases	• market influences - material costs, availability of skilled labour and insurance costs • $10,000 per-unit construction cost increase = annual provincial subsidy increases of $1.4 million	• public tendering • bundling of similar projects • eligibility rosters • alternative construction forms including modular construction
Building envelope repair cost increases	• cost estimates are subject to revision pending completion of detailed assessments of Vancouver Island buildings • significant cost increases and delays to repairs already planned could further delay the target completion date resulting in more serious deterioration	• long-term repair strategies including detailed examinations of at-risk buildings • accelerated repair program • implementation of design and construction standards incorporating recommended building techniques • rigorous maintenance programs for all new and repaired projects • pre-qualified skilled and specialized contractors • cost recovery, where feasible and warranted, from parties responsible for design, construction and inspection of buildings
Lower incomes for housing tenants	• a 1 per cent reduction in family incomes reduces tenant rent revenues by $1.4 million ($0.8 million provincial share) for both public housing and non-profit housing	• reduction in bad debts and increased recovery • revenue generation
Capital asset repairs	• aging housing stock requires significant repairs to maintain health, safety and livability	• redevelopment; pro-active and preventative maintenance programs prioritizing the most critical repairs • implementation of sustainable, comprehensive strategies that yield lower maintenance costs in the future
Higher inflation	• a 1 per cent increase in the consumer price index that is higher than budgeted increases expenses by $0.9 million in 2005/06 ($0.4 million provincial share)	• bulk purchasing for insurance, natural gas and appliances • best practices in housing providers
Labour negotiations	• a 1 per cent wage increase results in $0.2 million additional expenses in 2005/06 ($0.1 million provincial share)	• foster good working environment; provide training and advancement

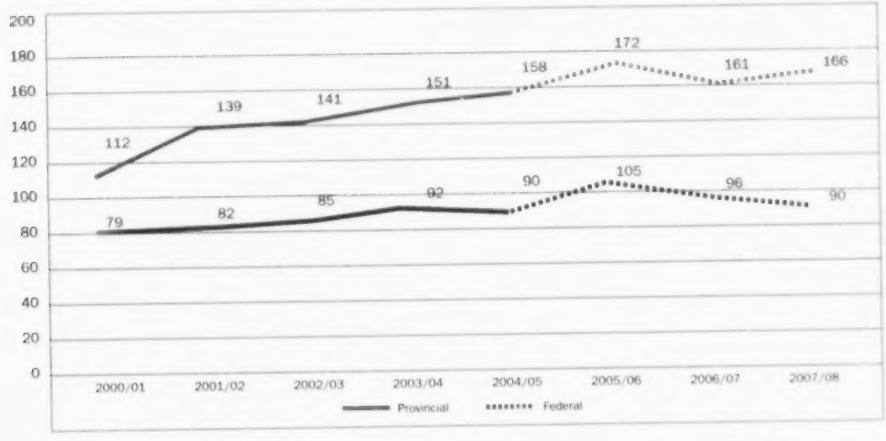
Note: Additional internal and external environmental factors that may affect the success of BC Housing are noted in Appendix A.

Future Outlook

Revenues and Expenses



Contributions



During the past five years, funding partners demonstrated their commitment to delivering programs that provide affordable housing, and remain committed to do so in the future. BC Housing's total approved budget of $310.7 million in 2005/06 will be the largest housing budget in the province's history. Total provincial spending in 2005/06 is budgeted at $172 million to cover ILBC, the Provincial Homelessness Initiative, and the management and maintenance of the public housing stock. Continued growth in ILBC units has a direct impact on provincial contributions and budget management initiatives.

Future federal contributions of $42 million have been earmarked to fund the creation of new social housing through Phase II of the Canada-BC Affordable Housing Agreement in partnership with the Premier's Task Force on Homelessness, Mental Illness and Addictions. It is anticipated that federal funding will decline as building envelope remediation projects are completed and buildings under older programs become fully amortized.

Through many cost-saving, sustainable initiatives and program delivery models, BC Housing has developed strategies to manage expenditure growth, contain costs and maximize the effect of our programs. Strengthened partnerships for new developments and streamlined program delivery, including subsidy administration, along with continued reductions in administration expenses and overhead and risk management strategies, will ensure BC Housing continues to meet its mandate in a cost-effective manner.

British Columbia Housing Management Commission

Financial Statements March 31, 2005

Children playing at Mole Hill in Vancouver

Grant Thornton LLP
Chartered Accountants
Management Consultants

Grant Thornton

Auditors' Report

To the Chair of
British Columbia Housing Management Commission

We have audited the balance sheet of British Columbia Housing Management Commission as at March 31, 2005, and the statements of revenues and expenditures and Province's Account and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2005, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

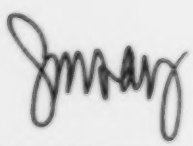
Vancouver, Canada
April 29, 2005

Chartered Accountants

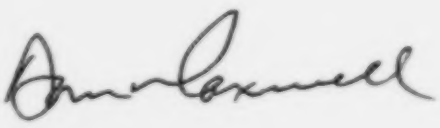
Statement of Management Responsibility

The financial statements of the British Columbia Housing Management Commission have been prepared by management in accordance with Canadian generally accepted accounting principles, consistently applied and appropriate in the circumstances. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in the notes to financial statements.

Management relies upon a system of internal controls that provides reasonable assurance, on a cost-effective basis, that the financial information is reliable and accurate.



Shayne Ramsay
Chief Executive Officer



Dan Maxwell
Chief Financial Officer

April 29, 2005

Balance Sheet

British Columbia Housing Management Commission

March 31	2005 ($000's)	2004 ($000's)
Assets		
Current		
Cash	$ 1,883	$ 3,159
Short term investments	21,193	26,358
Receivables	6,421	6,271
Prepaid expenses and housing subsidies	10,948	10,980
Due from Province of British Columbia	500	1,011
Due from Canada Mortgage and Housing Corporation	22,379	17,734
Current portion of mortgages receivable (Note 3)	12,929	1,047
Construction loans to housing projects (Note 4)	11,887	17,949
	88,140	84,509
Mortgages receivable (Note 3)	3,517	3,780
Long-term receivables	1,877	1,742
Proposal development advances (Note 5)	7,438	1,226
Capital assets (Note 6)	3,801	2,308
	$ 104,773	$ 93,565
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 17,344	$ 19,136
Due to Provincial Rental Housing Corporation (Note 7)	8,907	6,555
Tenants' prepaid rent	647	704
Due to Provincial Treasury (Note 4)	7,013	27,999
	33,911	54,394
Societies' funds held on deposit (Note 8)	13,010	11,641
Grants received in advance of construction (Note 9)	42,614	15,041
	89,535	81,076
Deferred contributions		
Self Insurance Funds (Note 10)	8,048	5,307
Group Home Replacement Funds (Note 11)	6,115	6,174
Province's account	1,075	1,008
	$ 104,773	$ 93,565

Commitments (Note 13) • Contingency (Note 15)

On behalf of the Board

L Wanamaker

Interim Chair

CEO

See accompanying notes to the financial statements

Statements of Revenue and Expenditures and Province's Account

British Columbia Housing Management Commission

Year Ended March 31	2005 ($000's)	2004 ($000's)
Revenue		
Provincial contributions	$ 157,831	$ 151,365
Federal contributions	90,237	91,498
Tenant rent	29,733	29,229
Other	5,970	6,668
	283,771	278,760
Expenditures		
Housing subsidies	173,852	166,256
Building modernization and improvement	40,372	45,624
Salaries and labour	22,172	21,424
Building mortgage costs	12,857	12,990
Utilities	8,683	8,578
Building maintenance	7,803	7,355
Operating expenses	6,513	4,477
Office and overhead	5,877	6,189
Grants in lieu of property taxes	4,910	4,909
Interest expense	665	886
	283,704	278,688
Excess of revenue over expenditures	67	72
Province's account, beginning of year	1,008	936
Province's account, end of year	$ 1,075	$ 1,008

See accompanying notes to the financial statements

Statement of Cash Flows

British Columbia Housing Management Commission

Year Ended March 31	2005 ($000's)	2004 ($000's)
Cash flows provided by (used in)		
Operating activities		
Excess of revenue over expenditures	$ 67	$ 72
Adjustments to determine cash flows:		
Depreciation	1,649	1,524
Self insurance funds	2,741	872
Group home replacement funds	(59)	471
Change in non-cash working capital	(936)	(7,811)
	3,462	(4,872)
Investing activities		
Mortgage receivable	(11,619)	4,607
Long-term receivables	(135)	(174)
Proposal development advances	(6,212)	296
Construction loans provided to housing projects	6,062	4,078
Additions to capital assets	(3,142)	(1,567)
	(15,046)	7,240
Financing activities		
Advances from (to) Provincial Rental Housing Corporation	2,352	(1,879)
Due to Provincial Treasury	(20,986)	2,482
Societies' funds on deposit	1,369	(6,178)
Grants received in advance of construction	27,573	5,881
	10,308	306
(Decrease) increase in cash	(1,276)	2,674
Cash, beginning of year	3,159	485
Cash, end of year	$ 1,883	$ 3,159
Supplementary cash flow information		
Interest paid	$ 683	$ 891

See accompanying notes to the financial statements

Notes to the Financial Statements March 31, 2005

British Columbia Housing Management Commission

1. General

The British Columbia Housing Management Commission is a Crown agency, established in 1967, responsible for developing new social housing under the Independent Living BC and the Provincial Housing Program, for administering the Province's Shelter Aid for Elderly Renters program, and for administering a variety of other federal and/or provincial housing programs. The Commission manages public housing stock and administers agreements relating to units managed by housing sponsors. The Commission ensures that provincial housing policy is reflected in its programs and that these are delivered in a co-ordinated, cost-effective manner.

The revenues and expenditures of the programs administered by the Commission are reported in Schedule 1.

2. Significant accounting policies

Basis of presentation
These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Use of estimates
In preparing these financial statements, management has made estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Tenant rent revenue
Tenant rent revenue represents rent charged to residents, and is determined as the lesser of market rent and a percentage of each resident's income.

Short-term investments
Short-term investments include bonds, marketable securities, income and investment trust funds and bond, equity and mortgage funds. Short-term investments are stated at the lower of cost and net realizable value.

Capital assets
Capital assets are recorded at cost and depreciated over their estimated useful lives. Both computer hardware and software are depreciated on the straight-line method over three years. All other capital assets are depreciated on the straight-line method over five years.

Employee benefit plans
BC Housing and its employees contribute to the Public Service Pension Plan under the terms of the *Public Sector Pension Plans Act*. The Public Service Pension Plan is a multi-employer, defined-benefit plan.

The British Columbia Pension Corporation administers the Plan, including payment of pension benefits on behalf of employers and employees to whom the Act applies. The most recent valuation (March 31, 2002) has indicated a $546 million surplus for funding purposes.

Employees are entitled to specific retirement benefits as provided for under their terms of employment. The cost of employee future benefits for this plan is recognised as an expense in the year contributions are paid.

Financial instruments
The Commission's financial instruments consist of cash and equivalents, short-term investments, receivables, loans and advances receivable and payable and current liabilities. It is management's opinion that the Commission is not exposed to significant interest, currency or credit risks arising from these financial instruments. Except for short-term investments, the fair value of these instruments approximates their carrying values. The fair value of short-term investments is $21,967 (2004: $25,652).

Comparative figures
Certain comparative figures for 2004 have been reclassified to conform with the current year's financial statement presentation.

3. Mortgages receivable

The Commission, in its capacity as a *National Housing Act* approved lender, occasionally acts as the take-out lender for some projects. These mortgages are generally held for a short period, one year or less, until such time as the borrower confirms its long-term financing arrangements.

4. Construction loans provided to housing projects

In its capacity as a *National Housing Act* approved lender, the Commission funds construction draws for societies that are building approved projects under social housing programs. These advances are repaid at substantial completion of each project from financing arranged with private lenders. Societies are charged interest at the province's weighted average borrowing rate for short-term funds, plus administration costs.

The Provincial Treasury provides funding to the Commission for the purpose of advancing loans for construction. These loans are unsecured and bear interest at the province's weighted average borrowing rate for short-term funds. The Commission has the authority to borrow up to a maximum of $165 million from the Provincial Treasury.

5. Proposal development advances

Loan advances are made to sponsoring societies for needs studies, incorporation and site development costs. These advances are normally repaid upon project completion or remain outstanding for three years, at which time they are written off. An allowance is established for the value of advances outstanding whenever there is uncertainty about projects proceeding to the final commitment stage.

6. Capital assets

	Cost	Accumulated depreciation	**2005 ($000's) Net book value**	2004 ($000's) Net book value
Computer hardware	$ 4,628	$ 4,156	**$ 472**	$ 413
Computer software	6,896	4,152	**2,744**	1,042
Tenant improvements	2,000	1,782	**218**	358
Office furniture	1,367	1,195	**172**	207
Office equipment	737	584	**153**	228
Vehicles	212	205	**7**	-
Grounds equipment	208	173	**35**	60
	$ 16,048	$ 12,247	**$ 3,801**	$ 2,308

7. Due to Provincial Rental Housing Corporation

Amounts represent funds advanced for the acquisition and development of properties under social housing programs. The advances are non-interest bearing with no set terms of repayment.

8. Society funds held on deposit

These funds represent the balance of mortgage advances held to cover various non-profit societies' construction and soft costs required to complete their projects. Interest accrues on the society funds at the province's weighted average borrowing rate for short-term funds.

Notes to the Financial Statements March 31, 2005

British Columbia Housing Management Commission

9. Grants received in advance of construction

The Commission receives funds from the Province and Canada Mortgage and Housing Corporation (CMHC), the use of which is restricted to the construction of specific social housing projects.

	Balance, beginning of year ($000's)	Grant received (transfers) ($000's)	Construction costs incurred ($000's)	Balance, end of year ($000's)
Project Grants	$ 9,489	$ 21,206	$ (4,446)	$ 26,249
CMHC — Phase 1	5,402	27,998	(20,491)	12,909
CMHC — Phase 2	-	2,395	-	2,395
Ministry — Other	150	911	-	1,061
	$ 15,041	$ 52,510	$ (24,937)	$ 42,614

10. Self Insurance Funds

The Commission receives funds from the Province and CMHC to provide for claims below the deductible amounts of insured properties and for uninsured losses.

	2005 ($000's)	2004 ($000's)
Balance, beginning of year	$ **5,307**	$ 4,435
Additional funding	**2,643**	725
Interest	**247**	258
	8,197	5,418
Less: claims expense	**149**	111
Balance, end of year	$ **8,048**	$ 5,307

11. Group Home Replacement Funds

These amounts are funded by the Province through the annual operating budgets for group homes and are used to fund major repairs and maintenance.

	2005 ($000's)	2004 ($000's)
Balance, beginning of year	$ **6,174**	$ 5,703
Additional funding	**1,096**	1,307
Interest	**98**	166
	7,368	7,176
Less: expenditures for repairs and maintenance	**1,253**	1,002
Balance, end of year	$ **6,115**	$ 6,174

12. Grants in lieu of taxes

The Commission, on behalf of the Province and CMHC, pays each municipality a grant equivalent to gross property taxes due for all residential properties and projects managed.

13. Lease commitments

The Commission has minimum rental obligations under operating leases for office space over the next five fiscal years as follows:

	($000's)
2006	$ 1,782
2007	1,777
2008	1,615
2009	1,348
2010	1,386

14. Related party transactions

In the normal course of operations, the Commission acquires goods and services from the Province and certain crown corporations, under prevailing trade terms.

These statements do not include the capital cost of the projects, which are owned by Provincial Rental Housing Corporation (PRHC). However, an amount equivalent to amortization on those capital costs is in part payable to PRHC and in part credited to CMHC.

15. Contingency

Building envelope failure

In response to industry concerns and experience regarding building envelope failure, the Commission undertook a systematic review of non-profit and co-operative owned buildings and public housing buildings under its administration. Buildings included in the study are part of the Federal/Provincial housing portfolio. The Commission received preliminary estimates for the cost of remediation for a number of projects.

Substantially all of the buildings have been examined. The costs, subject to confirmation through detailed engineering studies or actual repairs, are estimated to be in the range of $144 million. Repairs to non-profit and co-operative owned buildings will be undertaken by housing sponsors in the future and the resulting expenditures, if accepted and approved, will be cost-shared with CMHC and the Province based on various program funding formulae. Requests for funding of the repairs will be included in annual budgets and reimbursed based on actual costs incurred.

Expenditures and Revenue by Program Year Ended March 31, 2005

British Columbia Housing Management Commission

	Federal/Provincial Cost Shared									
	Directly Managed									
	Cost share 75/25 (s79)		Cost share 50/50 (s82)		Rent Supplement (s82(1)(a))		(s82(1)(b))		Non-profit Fed./ Prov. Housing (s95)	
	2005 ($000's)	2004 ($000's)	**2005** ($000's)	2004 ($000's)	**2005** ($000's)	2004 ($000's)	**2005** ($000's)	2004 ($000's)	**2005** ($000's)	2 ($00
Expenditures										
Housing subsidies	**$ 3,437**	$ 397	**$ (96)**	$ 1	**$ 1,369**	$ 1,517	**$ 7,885**	$ 7,721	**$ 63,680**	$ 65,1
Building modernization and improvement	**9,951**	11,460	**4,810**	5,031	**353**	1,243	**16**	4	**19,165**	20,1
Salaries and labour	**9,636**	9,535	**2,947**	2,877	**385**	251	**624**	589	**2,050**	1,8
Building mortgage costs	**7,566**	7,566	**5,291**	5,424	**-**	-	**-**	-	**-**	
Utilities	**5,401**	5,398	**1,526**	1,422	**99**	66	**4**	4	**662**	
Building maintenance	**3,641**	3,348	**1,376**	1,248	**86**	141	**138**	130	**964**	
Operating expenses	**3,012**	2,626	**1,054**	913	**196**	116	**237**	(14)	**568**	
Office and overhead	**1,684**	1,656	**523**	524	**86**	84	**369**	355	**844**	
Grants in lieu of property taxes	**2,522**	2,519	**1,109**	1,136	**25**	21	**2**	2	**475**	
Interest expense	**56**	56	**14**	18	**12**	17	**9**	10	**122**	
	46,886	44,561	**18,554**	18,594	**2,611**	3,456	**9,284**	8,801	**88,530**	91,1
Revenue										
Provincial contribution	**6,805**	6,305	**5,947**	6,012	**1,121**	1,634	**4,727**	4,521	**31,268**	31,1
Federal contribution	**20,246**	18,747	**5,962**	6,030	**1,134**	1,652	**4,545**	4,268	**56,138**	58,1
Tenant rent	**19,454**	19,100	**6,511**	6,430	**347**	161	**12**	10	**1,123**	1,1
Sundry	**381**	410	**134**	120	**9**	10	**-**	1	**1**	
	46,886	44,562	**18,554**	18,592	**2,611**	3,457	**9,284**	8,800	**88,530**	91,1
Excess of revenue over expenditures	**$ -**	$ 1	**$ -**	$ (2)	**$ -**	$ 1	**$ -**	$ (1)	**$ -**	$

Schedule 1

Wholly Provincial Cost						Other				Total	
Group homes		Homes BC		Other programs		ILBC		Provincial Homelessness Initiative			
2005 ($000's)	2004 ($000's)	**2005** ($000's)	2004 ($000's)	**2005** ($000's)	2004 ($000's)	**2005** ($000's)	2004 ($000's)	**2005** ($000's)	2004 ($000's)	**2005** ($000's)	2004 ($000's)
1,772	$ 1,941	**$ 54,952**	$ 58,116	**$ 33,231**	$ 29,288	**$ 5,375**	$ 2,075	**$ 2,247**	$ -	**$ 173,852**	$ 166,256
315	220	**3,011**	3,304	**2,751**	3,584	**-**	1	**-**	-	**40,372**	45,624
841	896	**1,892**	2,222	**1,596**	1,599	**2,201**	1,619	**-**	-	**22,172**	21,424
-	-	**-**	-	**-**	-	**-**	-	**-**	-	**12,857**	12,990
529	556	**326**	307	**135**	138	**1**	1	**-**	-	**8,683**	8,578
668	653	**604**	594	**250**	262	**76**	49	**-**	-	**7,803**	7,355
456	400	**454**	(30)	**659**	666	**(123)**	(537)	**-**	-	**6,513**	4,477
359	367	**678**	826	**630**	821	**724**	712	**-**	-	**5,877**	6,189
370	369	**169**	191	**238**	228	**-**	-	**-**	-	**4,910**	4,909
-	-	**-**	-	**452**	647	**-**	-	**-**	-	**665**	886
5,310	5,402	**62,086**	65,530	**39,942**	37,233	**8,254**	3,920	**2,247**	-	**283,704**	278,688
1,513	1,909	**60,164**	63,460	**35,963**	32,138	**8,076**	3,470	**2,247**	-	**157,831**	151,365
-	-	**-**	-	**2,042**	2,268	**170**	382	**-**	-	**90,237**	91,498
87	80	**1,845**	1,967	**354**	359	**-**	-	**-**	-	**29,733**	29,229
3,710	3,413	**77**	103	**1,650**	2,538	**8**	70	**-**	-	**5,970**	6,668
5,310	5,402	**62,086**	65,530	**40,009**	37,303	**8,254**	3,922	**2,247**	-	**283,771**	278,760
-	$ -	**$ -**	$ -	**$ 67**	$ 70	**$ -**	$ 2	**$ -**	$ -	**$ 67**	$ 72

Provincial Rental Housing Corporation

Lu'ma Native Housing's Aboriginal Patients' Lodge in Vancouver developed in partnership with CMHC, BC Housing, City of Vancouver and other fund

BC HOUSING

Grant Thornton LLP
Chartered Accountants
Management Consultants

Grant Thornton

Auditors' Report

To the Shareholder of the
Provincial Rental Housing Corporation

We have audited the balance sheet of Provincial Rental Housing Corporation as at March 31, 2005 and the statements of revenue and expenditures and surplus and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2005, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

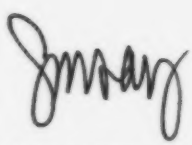
Vancouver, Canada
April 29, 2005

Chartered Accountants

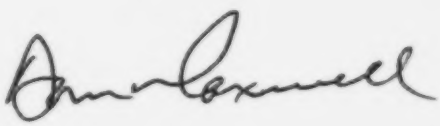
Statement of Management Responsibility

The financial statements of the Provincial Rental Housing Corporation have been prepared by management in accordance with Canadian generally accepted accounting principles, consistently applied and appropriate in the circumstances. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in the notes to financial statements.

Management relies upon a system of internal controls that provide reasonable assurance, on a cost-effective basis, that the financial information is reliable and accurate.



Shayne Ramsay
Director



Dan Maxwell
Director

April 29, 2005

Balance Sheet

Provincial Rental Housing Corporation

March 31	2005 ($000's)	2004 ($000's)
Assets		
Investment in properties (Note 3)	**$ 345,334**	$ 345,546
Debenture subsidy receivable	**1,816**	1,843
Due from British Columbia Housing Management Commission (Note 4)	**8,907**	6,555
Cash	**1**	1
	$ 356,058	$ 353,945
Liabilities		
Long-term debt (Note 5)	**$ 126,363**	$ 127,637
Interest payable	**612**	620
Unearned lease revenue	**98,137**	101,494
Funding in advance of construction (Note 6)	**4,168**	4,486
Deferred contributions (Note 7)	**16,572**	19,239
	245,852	253,476
Shareholder's equity		
Share capital		
Authorized		
10,000 common shares with no par value		
Issued		
3 common shares at $1 each	-	-
Contributed surplus	**84,006**	84,006
Property acquisition contribution (Note 8)	**(7,223)**	(7,166)
Accumulated excess of revenue over expenditures	**33,423**	23,629
	110,206	100,469
	$ 356,058	$ 353,945

On behalf of the Board

L Wanamaker
Director

Director

See accompanying notes to the financial statements

Statements of Revenue and Expenditures and Surplus

Provincial Rental Housing Corporation

Year Ended March 31	2005 ($000's)	2004 ($000's)
Revenue		
Directly managed debenture subsidy	$ 7,239	$ 7,372
Group home mortgage subsidy	7,197	7,407
Lease revenue	3,357	2,076
Contribution revenue	3,269	1,738
	21,062	18,593
Expenditures		
Depreciation	3,915	3,923
Interest on long-term debt	7,353	8,002
	11,268	11,925
Excess of revenue over expenditures	9,794	6,668
Accumulated excess of revenue over expenditures, beginning of year	23,629	16,961
Accumulated excess of revenue over expenditures, end of year	$ 33,423	$ 23,629

See accompanying notes to the financial statements

Statement of Cash Flows

Provincial Rental Housing Corporation

Year Ended March 31	2005 ($000's)	2004 ($000's)
Cash flows provided by (used in)		
Operating activities		
Excess of revenue over expenditures	$ 9,794	$ 6,668
Adjustments to determine cash flows:		
Depreciation	3,915	3,923
Amortization of unearned lease revenue	(3,357)	(2,076)
Amortization of deferred contributions	(3,237)	(969)
Change in non-cash working capital	19	611
	7,134	8,157
Investing activities		
Property acquisitions	(9,100)	(1,832)
Property disposals	8,946	652
	(154)	(1,180)
Financing activities		
New financing	2,547	1,185
Long-term debt repayment	(3,821)	(8,627)
Funding in advance of construction	(318)	1,577
Deferred contributions	570	246
Property acquisition contribution receipts	305	499
Repayments to the Province	(3,911)	(3,736)
Advances (to) from British Columbia Housing Management Commission	(2,352)	1,879
	(6,980)	(6,977)
Increase in cash	-	-
Cash, beginning of year	1	1
Cash, end of year	$ 1	$ 1
Supplementary cash flow information		
Interest paid	$ 7,361	$ 8,114

See accompanying notes to the financial statements

Notes to the Financial Statements March 31, 2005

Provincial Rental Housing Corporation

1. General

The Provincial Rental Housing Corporation was incorporated under the Company Act of the Province of British Columbia in 1961. The Corporation is wholly owned by the Province, and is an agent of the Crown.

The Corporation holds property for social and other low-cost housing for the Province. It also holds land under long-term leases to housing sponsors. The subsidized rental housing units of the Corporation are managed and operated by the British Columbia Housing Management Commission, which records the related rental revenue and is responsible for all of the operating and administrative activities and related costs.

2. Significant accounting policies

Basis of presentation
These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Use of estimates
In preparing these financial statements management has made estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment in properties
The Corporation capitalizes its investment in properties at cost and depreciates its buildings on the straight-line method over 25 years.

Property leases
The Corporation leases property used for housing projects to housing sponsors. These sixty-year leases are prepaid by the housing sponsors when the housing projects are completed and ready for occupancy. The Corporation amortizes the lease revenue over the term of each lease and records the unearned portion as unearned lease revenue.

Deferred contributions
Funding received from the Province used for acquisition of depreciable capital assets is recognized as a recovery in the statement of operations equal to depreciation charged on related depreciable capital assets.

Funding received from the Province for acquisition of non-depreciable capital assets, such as land, is allocated to property acquisition contribution when the related assets are acquired.

Property acquisition contribution
For some social housing projects and group homes, the Province provides grants to the Corporation for a portion of the construction costs. The Corporation records the construction grants as property acquisition contribution when the projects are completed.

From time to time, the Corporation disposes of property purchased for social housing projects that cannot proceed due to various circumstances. The proceeds from these sales are applied against the cost of purchasing alternate sites as appropriate. Any surplus or deficiency resulting from those sales is credited or charged to property acquisition contribution.

Financial Instruments

The Corporation's financial instruments consist of cash, receivables, loans and advances and payables. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these instruments approximates their carrying values.

3. Investment in properties

	Cost	Accumulated depreciation	**2005 ($000's) Net book value**	2004 ($000's) Net book value
Land	$ 278,770	$ -	**$ 278,770**	$ 278,806
Buildings	155,743	93,447	**62,296**	65,255
Construction in progress	4,268	-	**4,268**	1,485
	$ 438,781	$ 93,447	**$ 345,334**	$ 345,546

4. Due from British Columbia Housing Management Commission

Amounts represent funds advanced for the acquisition and development of properties under social housing programs. The amounts are non-interest bearing with no set terms of repayment.

5. Long-term debt

	2005 ($000's)	2004 ($000's)
Canada Mortgage & Housing Corporation (CMHC)		
Debenture mortgages repayable at the end of each year, maturing between the years 2024 and 2027, bearing interest at rates from 5.33% to 8.20%, and secured by unregistered first mortgages on properties of the Corporation	**$ 37,384**	$ 38,232
Chartered banks and CMHC		
Mortgages repayable monthly over terms of up to 35 years, bearing interest at rates from 3.59% to 8.20% and secured by registered first mortgages on properties of the Corporation	**88,979**	89,405
	$ 126,363	$ 127,637

The aggregate principal repayments required in each of the next five fiscal years is estimated to be as follows:

	($000's)
2006	$ 25,729
2007	14,597
2008	23,208
2009	16,127
2010	8,063
Thereafter	38,639
	$ 126,363

Notes to the Financial Statements March 31, 2005

Provincial Rental Housing Corporation

6. Funding in advance of construction

This balance represents construction funding received from various provincial ministries in advance of property acquisition and construction of non-profit housing and group homes. Interest does not accrue on funds received.

7. Deferred contributions

	2005 ($000's)	2004 ($000's)
Balance, beginning of year	$ 19,239	$ 19,962
Receipts	570	246
Amortization	(3,237)	(969)
Balance, end of year	$ 16,572	$ 19,239

8. Property acquisition contribution

	2005 ($000's)	2004 ($000's)
Balance, beginning of year	$ (7,166)	$ (3,777)
Receipts	305	499
Surplus (deficiency) on property sales	3,549	(152)
Repayments to the Province	(3,911)	(3,736)
Balance, end of year	$ (7,223)	$ (7,166)

9. Related party transactions

a) Insurance

The Corporation does not insure its rental housing properties. Instead property losses are compensated by the Province through the Commission and, for certain properties, by Canada Mortgage and Housing Corporation (CMHC).

b) Directly managed debenture subsidy

Directly managed debenture subsidy represents funds received from the Commission for the principal and interest costs of the long-term debt related to directly managed properties.

c) Group home mortgage subsidy

Group home mortgage subsidy represents the funds received from the Commission for mortgage payments to chartered banks and CMHC.

d) Administration and financing

The Commission acts as agent in administering and financing the operations and capital projects of the Corporation. No administration costs are charged to the Corporation for such services performed.

Appendices

nt in front of her garden at Hall Tower II in Burnaby.

Appendix

Operating Environment

In looking at the goals, objectives, strategies and measures in BC Housing's service plan, it is important to recognize that there are many external factors that can influence the outcomes that are realized.

The following is a summary of internal and external challenges and opportunities that could affect BC Housing's ability to meet the goals, objectives and targets in this plan. A risk-management approach is used to assess challenges and opportunities, and to determine the appropriate strategies for responding.

CHALLENGES

Market Pressures

- B.C. has the least affordable housing market in the country. This is coupled with vacancy rates in many communities that remain below three per cent, the level that is typically considered the benchmark of a balanced rental market.
- Limited new market-rental housing is being constructed, and the units that are being added are in the higher rent ranges. Evidence suggests that in spite of the high levels of demand, market rent levels are below the levels required to generate a reasonable return on investment.

Changing Demographic and Client Needs

- The changing socio-demographic profile of households represents a significant challenge with the number of senior-led households expected to increase from 246,000 in 2001 to 397,418 by 2021 based on estimates published by BC Stats under P.E.O.P.L.E. Projection 29. These demographic changes are putting pressure on the social housing stock where almost 22,000 tenants are seniors.

Increasing Levels of Homelessness

- There are a number of challenges to finding appropriate housing for people with mental and physical disabilities, some of whom are homeless or at risk of homelessness and who require support and assistance in order to achieve stability and independence in their living environment.

Maintenance of the Social Housing Portfolio

- A significant portion of the existing social housing stock is aging. Maintenance and capital replacement costs will need to be increased for some of these buildings in order to maintain them to current health and safety standards. In the long term, redevelopment of these sites is necessary to better serve vulnerable clients.
- A number of newer social housing developments have been experiencing building envelope failures with approximately 270 buildings identified to date, at a total estimated repair cost of more than $200 million.

Resource Constraints

- The demand for affordable housing far exceeds the supply of resources as indicated by the 13,000 households currently on our applicant registry. Therefore, limited housing resources must be used as efficiently and effectively as possible, ensuring that those in the greatest housing need are given priority.

OPPORTUNITIES

Provincial Commitment to Housing

- The provincial government, through BC Housing, has invested $172 million in 2005/06 — the largest fiscal contribution ever to housing programs and services. This is an important investment in communities across B.C. and will help respond to existing and emerging housing needs.

Enhanced Federal/Provincial Relationship

- The federal government's re-entry into housing through the Canada-BC Affordable Housing Agreement (Phases I and II) has provided the province with important partnership opportunities. Through this agreement, the federal government will contribute $130 million to affordable housing in British Columbia.
- Additional federal funding has been leveraged through the Supporting Communities Partnership Initiative (SCPI) to support community-based solutions for homelessness. The provincial government is currently negotiating with the federal government to transfer the administration of the federal social housing portfolio to BC Housing. Devolution will create the potential for the development of additional new social housing units in keeping with the B.C. government's housing priorities as well as the potential for increased administrative and operational efficiencies.

Inter-Ministerial Co-ordination and Collaboration

- As part of the Premier's Task Force on Homelessness, Mental Illness and Addictions, BC Housing, various provincial ministries and regional health authorities have been working together to develop permanent, long-term housing and support strategies to respond to homelessness and the needs of those who are most vulnerable.

Public-Private Partnership (P3)

- BC Housing has entered into a number of innovative partnership strategies and initiatives with municipalities, non-profit societies, the private sector, and other housing partners, which have leveraged the creation of additional housing units outside of the traditional program approach. These partnerships have been designed to respond to local housing challenges without the need for ongoing operating subsidies.

Effective Management Strategies

- BC Housing is actively engaged in identifying strategies to streamline and improve program administration, reduce costs, and promote sustainability. Initiatives expected to realize considerable efficiencies and cost savings over the next three years include the exploration of various alternative service delivery strategies based on the best business case, bulk gas purchasing, the purchase of bulk insurance, and the strategic investment of replacement reserve balances as a means of maximizing revenue.

Sustainability Practices

- BC Housing is committed to sustainability. Wherever possible, we evaluate environmental impacts with fiscal and operational needs, employing environmentally and socially sustainable practices in our consumption of materials and energy, and our management of waste. BC Housing has also initiated a significant energy retrofit review and is a recognized Power Smart Partner.

Appendix

Performance Results Compared to 2004/05 - 2006/07 Service Plan

As noted earlier, BC Housing made a number of changes to its performance measures[1]. This appendix reports on the results achieved relative to the measures and targets in BC Housing's 2004/05 - 2006/07 Service Plan, and includes information about the changes introduced in the 2005/06 - 2007/08 Service Plan.

Service Plan Goal: **Increased housing options**

Measures:

- Number of additional units provided
- Additional units levered through innovative strategies and initiatives
- Federal equity contributions levered
- Land and partnership equity levered

Service Plan Goal: **Client-focused service delivery**

Measures:

- Families and individuals assisted through access to public housing
- Applicants housed through turnover in public housing units
- Percentage of applicants with complex housing and health needs assisted
- High levels of tenant satisfaction
- Vacancy rate in the public housing portfolio
- Percentage of tenant rents collected in time frame
- Percentage of planned modernization and improvement projects completed

Service Plan Goal: **Sustainable local housing solutions**

Measures:

- Households assisted through access to non-profit and co-op housing
- Assistance to households in the private rental market
- Housing applications received and processed in time frame
- Housing providers participating in The Housing Registry
- Number of housing providers requiring high levels of review and support
- Competitive rates for all mortgages renewed or placed

Service Plan Goal: **A high performing organization**

Measures:

- Success in maintaining a diverse work force
- Staff participating in voluntary training
- Percentage of staff with perfect attendance
- Use of information technology (IT) to enhance productivity and organizational outcomes

[1]The 2005/06 - 2007/08 service planning process resulted in revisions to the goals and objectives set out in the 2004/05 - 2006/07 Service Plan. These changes provide greater focus and clarity for future reporting in accordance with government reporting principles.

Summary of Performance Compared to Service Plan

Goals & Measures	2002/03 Results	2003/04 Results	2004/05 Targets	2004/05 Results	Variance	Changes in 2005/06
GOAL 1 Increased Housing Options						
Measures:						
• Number of additional units provided	1,915	1,230	1,487	1,107	74% achieved	No change
• Additional units levered through innovative strategies and initiatives	529	591	223	353	58% above target	Revised[1]
• Federal equity contributions levered	$36M	$21.1M	$29.6M	$29.6M	Achieved	Replaced[2]
• Land and partnership equity levered	$29M	$46.4M	$19.6M[3]	$29.7M	40% above target	Replaced
GOAL 2 Client-Focused Service Delivery						
Measures:						
• Families and individuals assisted through access to public housing	7,784	7,768	7,800	7,756	Achieved	Revised
• Applicants housed through turnover in public housing units	1,132	1,039	1,170	928	3% below target[4]	Revised
• Percentage of applicants with complex housing and health needs assisted	29%	38%	30%	48%	18% above target	Revised
• High levels of tenant satisfaction	87%	83%	77%	84%	7% above target	Revised
• Vacancy rate in the public housing portfolio	1.6%	1.7%	≤ 3%	1.8%	1.2% better	Revised
• Percentage of tenant rents collected in time frame	98%	98%	≥ 97%	99%	2% above target	Revised
• Percentage of planned modernization and improvement projects completed	114%	84%	≥ 90%	102%	12% above target	Revised
GOAL 3 Sustainable Local Housing Solutions						
Measures:						
• Households assisted through access to non-profit and co-op housing	32,259	33,439	33,400	33,746	1% above target	Revised
• Assistance to households in the private rental market	14,429	14,394	15,100	14,207	94% achieved	Revised
• Housing applications received and processed in time frame	93%	81%	≥ 90%	95%	5% above target	Replaced
• Housing providers participating in The Housing Registry	6	22	23	34	1.5 times better	Revised
• Number of housing providers requiring high levels of review and support	N/A	3%	≤ 10%	4%	6% above target	Revised
• Competitive rates for all mortgages renewed or placed	152	122	≥ 100 basis points	249	2.5 times better	Replaced
GOAL 4 A High Performing Organization						
Measures:						
• Success in maintaining a diverse work force	70%	60%	See below[5]	75%	Achieved	Replaced
• Staff participating in voluntary training	80%	80%	80%	65%	15% below target	Replaced
• Percentage of staff with perfect attendance	19%	19%	20%	17%	3% below target	Replaced
• Use of information technology (IT) to enhance productivity and organizational outcomes	milestones reported annually					Replaced

[1] *Revised means that while there have been changes to this measure and/or targets in the 2005/06 - 2007/08 Service Plan, the data reported here will continue to be captured and/or reflected in the new measure that has been created. Many of the new measures are designed to improve the focus of existing measures to better reflect performance of the social housing sector and/or subsidized housing portfolio as a whole rather than simply reporting on the individual inputs or components (public housing, non-profit/co-op housing, private market assistance).*

[2] *Replaced means that this measure will no longer be reported and that it has been replaced by a new measure designed to provide better insight into the specific outcomes achieved.*

[3] *Based on a target of 12 per cent of capital cost. In 2004/05, developments equal to $164 million in capital costs had received a commitment or were under construction.*

[4] *Target based on a historical rate of turnover of 15%. The 2004/05 results represent a turnover of 12% which is 3% below target.*

[5] *Target representative of provincial demographic.*

Goal

Increased Housing Options

IMPORTANCE OF GOAL

Provincial housing investments play an important role in contributing to individual and community well-being and support the government's goal of building a supportive social fabric and safe, healthy communities.

HIGHLIGHTS

In 2004/05, the provincial government contributed $157.8 million including funding contributions from partnering ministries to support the delivery of subsidized housing across B.C. and create an expanded range of options for vulnerable individuals and households. This funding helped to provide homes for 55,709 families and individuals, and to create more than 1,107 new housing units.

SERVICE PLAN OBJECTIVES AND STRATEGIES

Objectives	Strategies
Direct new resources to increase the housing options for B.C.'s most vulnerable citizens	Completion of units under the Provincial Housing Program and the Independent Living BC program
Leverage existing assets to generate additional housing units	Identification of partnership opportunities
Establish partnerships with community organizations, the private sector, local government and other ministries to create locally-based housing options	Redevelopment and regeneration of existing housing assets

MEASURE 1 The number of additional units provided

2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2005/06 Target
1,915	1,230	1,487	1,107	2,198

RESULT TARGET 74% ACHIEVED

Importance of the Measure

The measure includes all units expected to reach completion and/or receive subsidy during the reporting period, including newly constructed, converted or redeveloped units, and households that received rental assistance in the private market. It indicates how BC Housing has responded to gaps in the housing supply and the needs of vulnerable individuals.

Performance Results for 2004/05

In 2004/05, BC Housing created 1,107 new housing units — including 564 units developed under the Independent Living BC (ILBC) program, 190 units completed under the Provincial Housing Program and 353 additional units created through Community Partnership Initiatives (CPI).

More than 1,100 new units were added to the existing stock of social housing, which fell short of the target, mostly as a result of the complexity of the ILBC program. For current projects, BC Housing is working with its partners to identify opportunities to expedite delivery schedules.

In addition to meeting existing commitments under the ILBC program, future plans include the delivery of additional transitional/supportive housing in targeted communities across the province in response to local priorities identified through the Premier's Task Force on Homelessness, Mental Illness and Addictions established earlier this year.

Limitations/Changes Introduced in 2004/05

Previously reported under Goal 1, there have been no changes to this measure. The target was increased to reflect units created under CPI.

Data Source/ Reporting Period *BC Housing BILD System - April 1, 2004 to March 31, 2005.*

MEASURE 2 Additional units levered through innovative strategies and initiatives

2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2005/06 Target
529	591	223	353	Revised

RESULT TARGET EXCEEDED

Importance of the Measure

This measure reports on BC Housing's response to gaps in the housing supply by creating new units through innovative partnerships that do not require operating subsidies. A target for a minimum of 15 per cent of all new units was set.

Performance Results for 2004/05

Of the 1,107 units created in 2004/05, approximately one in three units were developed through innovative partnerships with other levels of government, local communities and service providers.

Limitations/Changes Introduced in 2004/05

In 2005/06, this measure will be counted as part of the total number of new units created and will not be reported separately.

Data Source/ Reporting Period *BC Housing INHOUSE System - April 1, 2004 to March 31, 2005.*

MEASURE 3 Federal equity contributions levered

2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2005/06 Target
$36.0M	$21.1M	$29.6M	$29.6M	Replaced

RESULT TARGET ACHIEVED

Importance of the Measure

This measure reports on federal funding made available through the Canada-BC Affordable Housing Agreement, Supporting Communities Partnership Initiative (SCPI), and Residential Rehabilitation Assistance Program (RRAP).

Performance Results for 2004/05

In 2004/05, federal contributions totalled $29.6 million. Approximately $4 million was allocated under SCPI and $953,000 was secured through other federal sources. The remaining funds were made available under the Canada-BC Affordable Housing Agreement.

Limitations/Changes Introduced in 2004/05

In 2005/06, this measure will not be included as part of BC Housing's performance measurement framework. See the Management Discussion and Analysis section for more details on federal funding contributions.

Data Source/ Reporting Period *BC Housing INHOUSE System - April 1, 2004 to March 31, 2005.*

Goal

Increased Housing Options

MEASURE 4 Land and partnership equity levered

2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2005/06 Target
$29M	$46.4M	$19.6M	$29.7M	Replaced

RESULT TARGET EXCEEDED

Importance of the Measure

This measure reports on the value of land, grants and other partnership equity leveraged for units receiving a funding commitment. The target was a minimum of 12 per cent of all capital costs, or $19.6 million based on capital costs of $164 million in 2004/05.

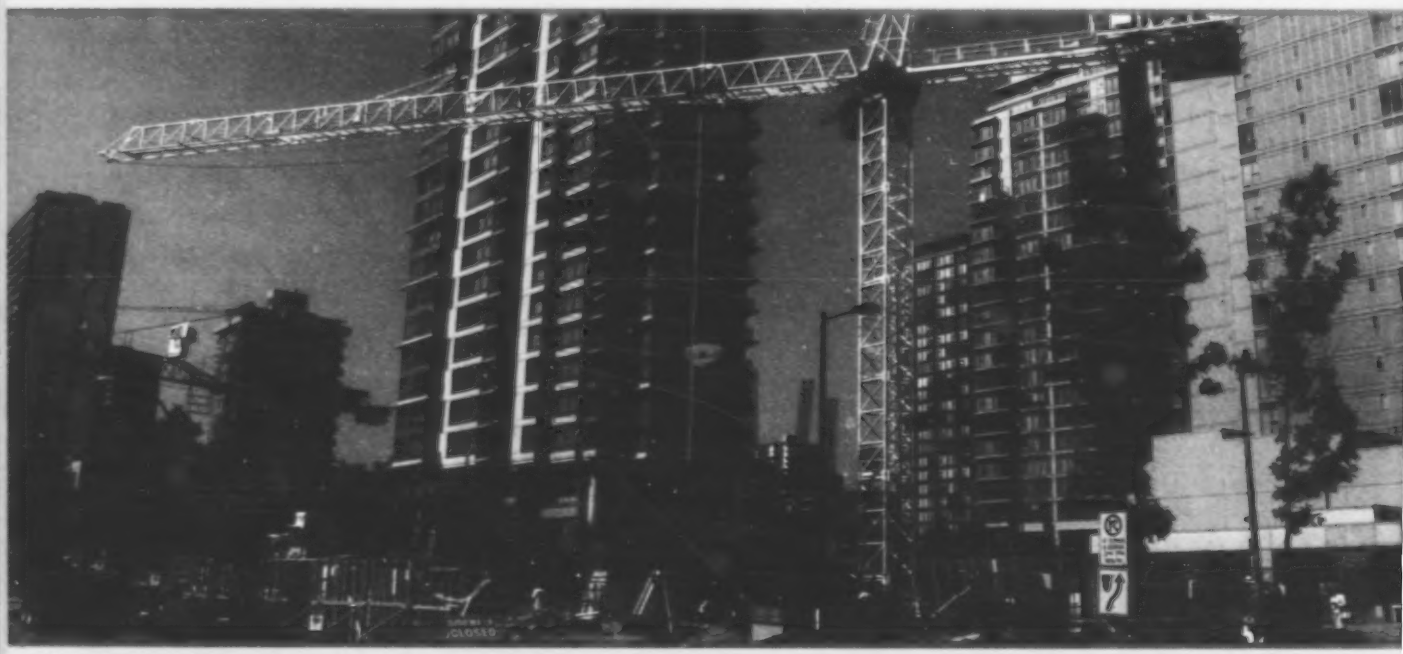
Performance Results for 2004/05

In 2004/05, partnership contributions (excluding federal funding) were $29.7 million. Approximately $12.8 million was leveraged through contributions of land, while approximately $16.4 million was leveraged through partnership equity including municipal contributions, sponsor contributions and other partnership arrangements. Grants equal to $600,000 were also secured through other levels of government, and other provincial ministries and agencies.

Limitations/Changes Introduced in 2004/05

This measure was replaced in the 2005/06 - 2007/08 Service Plan. In future, this information will be captured in the measure related to per-square-foot construction costs.

Data Source/ Reporting Period *BC Housing BILD System - April 1, 2004 to March 31, 2005.*



Construction site of Vancouver's Performing Arts Lodge — 111 units for seniors in the performing arts developed in partnership with BC Housing, CM City of Vancouver and other donors.

Goal

Client-Focused Service Delivery

IMPORTANCE OF GOAL

This goal reflects BC Housing's commitment to providing client-centered services to those in need of affordable housing. The measures and targets report on the number of families and individuals assisted through access to public housing, and the number of applicants housed during the reporting period. They also report on the effectiveness of BC Housing's vacancy filling process, rent collection and management practices, compared to internal standards and available industry benchmarks.

HIGHLIGHTS

The public housing portfolio is an important element in the province's social infrastructure, representing homes to approximately 7,756 households. In 2004/05, approximately 928 households/individuals were placed as a result of turnover. Almost half of those placed were from one of the designated priority groups.

Housing turnover rates also continued to decline — affecting BC Housing's ability to respond to the needs of applicants in The Housing Registry. A number of factors likely contributed including higher rents and lower vacancy rates in the low-end of market stock, and the changing profile of many tenants, specifically those facing a combination of challenges.

This section also includes a number of operational measures related to BC Housing's management practices. In all areas, performance exceeded targets with many areas showing improvement over previous years.

SERVICE PLAN OBJECTIVES AND STRATEGIES

Objectives	Strategies
Provide access to well-managed public housing	Successful placement of tenants in public housing through an effective vacancy filling process
Ensure the long-term quality and viability of the public housing portfolio through effective management	Efficient management of public housing through a progressive capital planning process and sound maintenance practices
Maximize housing options through the public housing portfolio for those with complex housing and health needs	Increased emphasis and support of tenants with complex housing and health needs
	Ensure that management is client-focused through periodic surveys

MEASURE 1 Families and individuals assisted through access to public housing

2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2005/06 Target
7,784	7,768	7,800	7,756	Revised

RESULT TARGET ACHIEVED

Importance of the Measure

Public housing accounts for approximately 10 per cent of the total subsidized housing portfolio. These units are targeted to low-income families and individuals who face a number of challenges. This measure reports on the number of households assisted.

Performance Results for 2004/05

More than 56 per cent of all households living in public housing are seniors and approximately 44 per cent are families. Over the past year, this housing also helped more than 84 women with their children fleeing abuse, and more than 800 households facing a chronic and persistent mental illness or addictions-related challenges.

Limitations/Changes Introduced in 2004/05

In 2005/06, this measure will not be reported separately. Instead, it will be reported as part of the total inventory of subsidized housing.

Data Source/ Reporting Period *BC Housing INHOUSE System - April 1, 2004 to March 31, 2005.*

Goal

Client-Focused Service Delivery

MEASURE 2 Applicants housed through turnover in public housing units

2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2005/06 Target
1,132	1,039	1,170	928	Revised

RESULT 3% BELOW TARGET

Importance of the Measure

There are more than 13,000 households in The Housing Registry. Households are evaluated on a point system, and housing is allocated to those in the greatest need as it becomes available. This measure reports on the number of units available through turnover with the target of 15 per cent being set using historical patterns.

Performance Results for 2004/05

In 2004/05, 928 units became available through turnover, representing a rate of approximately 12 per cent, which is lower than previous years. This is the second year where turnover rates declined. The drop in turnover reduces BC Housing's capacity to respond to the needs of those applying to live in subsidized housing.

Limitations/Changes Introduced in 2004/05

This measure was revised in the 2005/06 - 2007/08 Service Plan, and in future, will be captured through the percentage of tenants belonging to an identified priority group.

Data Source/ Reporting Period *BC Housing INHOUSE System - April 1, 2004 to March 31, 2005.*

MEASURE 3 Percentage of applicants with complex housing and health needs assisted

2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2005/06 Target
29%	38%	30%	48%	Revised

RESULT TARGET EXCEEDED

Importance of the Measure

This measure reports on BC Housing's success in allocating housing to families and individuals with complex housing and health needs, including women with their children fleeing abuse, frail and aging seniors, and persons with physical and mental disabilities.

Performance Results for 2004/05

In 2004/05, 928 public housing units became available. Of these, almost half were allocated to individuals/households in one of the designated priority groups with 84 units allocated to women and children fleeing abuse, 192 units to frail and aging seniors, and 170 units to people with a mental illness, addiction, disability or chronic health issue.

Limitations/Changes Introduced in 2004/05

This measure was revised as per Measure 2 above.

Data Source/ Reporting Period *BC Housing INHOUSE System - April 1, 2004 to March 31, 2005.*

MEASURE 4 High level of tenant satisfaction

2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2005/06 Target
87%	83%	≥77%	84%	Revised

RESULT TARGET EXCEEDED

Importance of the Measure

This measure tracks the level of tenant satisfaction with the quality of management and service provided. The target helps staff assess the need for changes in the delivery of services.

Performance Results for 2004/05

More than 3,200 completed surveys were received. Of these respondents, 84 per cent were satisfied or very satisfied with their current housing, exceeding the established target of 77 per cent and the previous year's satisfaction rate of 83 per cent.

Limitations/Changes Introduced in 2004/05

In 2005/06, this measure will be changed to include a representative sample of tenants living in housing managed by non-profit and co-op housing providers, as well as those living in public housing.

Data Source/ Reporting Period *BC Housing Tenant Satisfaction Survey - April 1, 2004 to March 31, 2005.*

MEASURE 5 Vacancy rate in the public housing portfolio

2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2005/06 Target
1.6%	1.7%	≤3%	1.8%	Revised

RESULT TARGET ACHIEVED

Importance of the Measure

This measure reflects the effectiveness of BC Housing's vacancy filling practices. The target for this measure is based on an industry benchmark and is compared to rental market data published by Canada Mortgage and Housing Corporation.

Performance Results for 2004/05

As of March 31, 2005, BC Housing had an average vacancy rate of 1.8 per cent, which is consistent with previous years and shows strong performance in our vacancy management strategies. This rate is also lower than the provincial average of 2.4 per cent reported by Canada Mortgage and Housing Corporation in their Rental Market Report (October 2004).

Limitations/Changes Introduced in 2004/05

This measure was revised in the 2005/06 - 2007/08 Service Plan and will be captured in the measure related to the percentage of social housing developments meeting "best management practices".

Data Source/ Reporting Period *BC Housing INHOUSE System - April 1, 2004 to March 31, 2005.*

Goal

Client-Focused Service Delivery

MEASURE 6 Percentage of tenant rents collected in time frame

2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2005/06 Target
98%	98%	≥97%	99%	Revised

RESULT TARGET ACHIEVED

Importance of the Measure

This measure reports on the efficiency of BC Housing's rent collection process. The target is an internal benchmark that helps BC Housing effectively manage the public housing portfolio. A minimum of 97 per cent of all tenant rents are targeted for collection within 15 working days of the first of the month.

Performance Results for 2004/05

As in previous years, BC Housing showed strong performance with 99 per cent of all tenant rents collected in the set time frame.

Limitations/Changes Introduced in 2004/05

This measure was revised as per Measure 5.

Data Source/ Reporting Period *BC Housing INHOUSE System - April 1, 2004 to March 31, 2005.*

MEASURE 7 Percentage of planned modernization and improvement projects completed

2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2005/06 Target
114%	84%	≥90%	102%	Revised

RESULT TARGET EXCEEDED

Importance of the Measure

This measure reports on the percentage of planned capital improvements made to the public housing stock during the reporting period. The target reflects an internal benchmark of a minimum of 90 per cent of all planned projects being completed within the fiscal year.

Performance Results for 2004/05

BC Housing targeted 333 projects for completion in 2004/05, and a total of 338 projects were finished. This represents a financial commitment of $15 million and a completion rate 12 per cent above the target. Over the past year, BC Housing reviewed current practices and found opportunities to streamline activities and better ways to use limited resources to respond to the aging housing portfolio.

Limitations/Changes Introduced in 2004/05

This measure was revised in the 2005/06 - 2007/08 Service Plan. In future, this information will be captured through the measure related to the adequacy of provisions for future requirements.

Data Source/ Reporting Period *BC Housing INHOUSE System - April 1, 2004 to March 31, 2005.*

Goal

Sustainable Local Housing Solutions

IMPORTANCE OF GOAL

BC Housing works with a broad range of partners to create sustainable local housing. This housing plays an important role in contributing to community well-being, and represents a central element in supporting the government's goals of a supportive social fabric, and safe, healthy communities and a sustainable environment.

HIGHLIGHTS

In 2004/05, BC Housing worked with the private, non-profit, and co-op housing sectors to help more than 47,900 vulnerable families and individuals across the province. During this same time period, we processed 10,000 housing applications, of which more than 95 per cent were completed within 10 working days.

Our activities over the past year also resulted in 11 new housing providers joining The Housing Registry. This helped increase the total number of units in the registry to 13,700 or approximately 33 per cent of the total social housing stock.

The results highlighted in this section suggest that the performance of the non-profit and co-op housing sectors remains strong with 96 per cent of housing providers meeting the financial and operational targets set. As well, we were successful in exceeding our target and past year's performance in obtaining competitive rates for the placement and renewal of mortgages.

While our general performance under this goal was strong, the provision of rent supplement assistance to households in the private market was below target. The result was largely due to the transfer of administration of the Supported Independent Living (SIL) program to local health authorities.

SERVICE PLAN OBJECTIVES AND STRATEGIES

Objectives	Strategies
Effective planning, management and delivery of housing programs and services	Maintain appropriate oversight of government resources while improving the overall level of program co-ordination
Provisions of affordable housing options for those most in need in the private sector	Provide subsidies to non-profit and co-operative housing providers through a performance management and incentive-based system
Respect and support for the expertise and local autonomy of community-based housing providers	Provide co-ordinated access to social housing through an Internet database - The Housing Registry, a centralized, web-based database for applicants and housing providers
	Delivery of rent supplement assistance to households living in the private rental market

Goal

Sustainable Local Housing Solutions

MEASURE 1 Households assisted through access to non-profit and co-op housing

2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2005/06 Target
32,259	33,439	33,400	33,746	Revised

RESULT TARGET ACHIEVED

Importance of the Measure

This measure identifies the number of households assisted through access to non-profit and co-op housing. The target reflects the expected net increase in the stock as new units reach completion.

Performance Results for 2004/05

More than 33,700 families and individuals were assisted through access to non-profit and co-op housing. This housing responds to a diverse range of needs in communities across B.C. providing homes for seniors, low-income families, and individuals with specific housing and support needs.

Limitations/Changes Introduced in 2004/05

This measure was revised under the 2005/06 - 2007/08 Service Plan. In future, this information will be captured through the inventory of subsidized housing under Goal 1.

Data Source/ Reporting Period *BC Housing INHOUSE System - April 1, 2004 to March 31, 2005.*

MEASURE 2 Assistance to households in the private rental market

2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2005/06 Target
14,429	14,394	15,100	14,207	Revised

RESULT TARGET 94% ACHIEVED

Importance of the Measure

This measure identifies the number of households receiving rental assistance in the private market. The target includes seniors receiving assistance under the Shelter Aid for Elderly Renters program (SAFER) and other persons with specific housing and support needs.

Performance Results for 2004/05

In 2004/05, 14,207 households in the private market received some form of housing assistance. The shortfall is mostly attributed to the transfer of administrative responsibilities for the Supported Independent Living (SIL) program to local health authorities.

Limitations/Changes Introduced in 2004/05

Revised as per Measure 1 above.

Data Source/ Reporting Period *BC Housing INHOUSE System - April 1, 2004 to March 31, 2005.*

MEASURE 3 Housing applications received and processed within time frame

2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2005/06 Target
93%	81%	≥90%	95%	Replaced

RESULT TARGET EXCEEDED

Importance of the Measure

This measure reports on how well we are serving the needs of applicants, and supports BC Housing's goal of providing client-centred services. The target is based on an internal service standard designed to ensure that those applying for housing receive prompt and reliable service.

Performance Results for 2004/05

BC Housing processed more than 10,000 housing applications. Of these, 95 per cent were completed within the established time frame of 10 working days.

Limitations/Changes Introduced in 2004/05

This measure was replaced in the 2005/06 - 2007/08 Service Plan with an applicant survey designed to gather feedback on their satisfaction with the information and assistance that they receive.

Data Source/ Reporting Period *BC Housing INHOUSE System - April 1, 2004 to March 31, 2005.*

MEASURE 4 Housing providers participating in The Housing Registry

2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2005/06 Target
6	22	23	34	Revised

RESULT TARGET ACHIEVED

Importance of the Measure

The Housing Registry helps to provide a co-ordinated approach to housing access. Expanding the level of provider participation in The Housing Registry will help better serve those in need of affordable housing across the province. The target was a five per cent, year-over-year increase in providers participating or a minimum of 23 providers in 2004/05.

Performance Results for 2004/05

As of March 31, 2004, there were 34 housing providers participating in The Housing Registry (including BC Housing). This represents an increase of more than 11 housing providers over the total in 2003/04. Combined, the 34 housing providers that are part of The Housing Registry have a portfolio of more than 13,700 units which represents approximately 33 per cent of the total social housing inventory. As housing providers continue to join The Housing Registry, it will increase the capacity to serve those in need of affordable housing.

Limitations/Changes Introduced in 2004/05

This measure was revised in the 2005/06 - 2007/08 Service Plan to reflect the number of units that are part of The Housing Registry rather than the number of housing providers participating.

Data Source/ Reporting Period *Statistics maintained by Housing Services - April 1, 2004 to March 31, 2005.*

Goal

Sustainable Local Housing Solutions

MEASURE 5 Number of housing providers requiring high levels of review and support

2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2005/06 Target
•	3%	≤10%	4%	Revised

RESULT TARGET EXCEEDED

Importance of the Measure

Financial and operational standards are set out in operating agreements with housing providers. Performance is monitored through financial and operational review processes carried out by BC Housing staff. This measure supports the effective planning, management and delivery of housing.

Performance Results for 2004/05

BC Housing completed 479 housing provider reviews. Only 17 (less than 4 per cent) were identified as having difficulty in meeting the established financial and operational standards, which is better than the 10 per cent target and consistent with performance in previous years.

Limitations/Changes Introduced in 2004/05

This measure was revised in the 2005/06 - 2007/08 Service Plan to include the public housing portfolio. In future, this information will be captured through the percentage of social housing developments meeting "best management practices". The target was also adjusted from 90 per cent to 95 per cent.

Data Source/ Reporting Period *Housing Provider Profile (HPP) - April 1, 2004 to March 31, 2005.*

MEASURE 6 Competitive rates for all mortgages renewed or placed

Mortgages	2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2005/06 Target
New	-144	-119	≥100 basis points	-256	Replaced
Renewed	-160	-126		-246	Replaced

RESULT TARGET EXCEEDED

Importance of the Measure

Mortgage costs are a significant budget item, and our ability to negotiate mortgages at below market rates represents significant savings. This measure gauges the effectiveness of our current strategies in realizing competitive rates which contribute to the government's long-term savings.

Performance Results for 2004/05

In 2004/05, $19 million was allocated for new mortgages and $139 million for renewed mortgages with interest rates falling on average 249 basis points below the posted mortgage market rates. This level of performance translates into interest savings of approximately $36.8 million over the life of these mortgages.

Limitations/Changes Introduced in 2004/05

This measure was replaced in the 2005/06 - 2007/08 Service Plan.

Data Source/ Reporting Period *Finance - April 1, 2004 to March 31, 2005.*

Goal

A High Performing Organization

IMPORTANCE OF GOAL

In keeping with the government's values of integrity, fiscal responsibility, accountability, respect and choice, BC Housing strives to be a high performing organization through building the financial, administrative and technical capacity of the organization, and investing in staff learning and development.

HIGHLIGHTS

In 2004/05, BC Housing was successful in its recruitment and hiring strategies, and in taking advantage of the use of information technology. Performance was slightly below the established targets for the percentage of staff participating in training opportunities (65 per cent compared to 80 per cent) and the number of staff with perfect attendance (17 per cent compared to 20 per cent).

SERVICE PLAN OBJECTIVES AND STRATEGIES

Objectives	Key Strategies
Maintain a professional, committed work force that is responsible to and reflective of the diversity of the communities where we live and work	Effective human resource management including recruitment, retention and promotions that support the goals of human rights, employment equity, multiculturalism and diversity
Demonstrated commitment to excellence, integrity and continuous improvement	Efficient use of information technology to maximize productivity and to ensure the highest standards of customer service and access to information
Ensure that the functions of the organization are carried out according to legislated requirements, government priorities and broader social policy objectives	

MEASURE 1 Success in maintaining a diverse work force

2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2005/06 Target
70%	60%	Representative of the provincial demographic	75%	Replaced

RESULT **TARGET ACHIEVED**

Importance of the Measure

This measure supports BC Housing's commitment to develop a work force that reflects the diverse communities we serve. Data for this measure is captured through a self-disclosure form completed at the time of employment.

Performance Results for 2004/05

BC Housing hired 69 new staff, with 75 per cent from one of the four designated groups (women, persons with disabilities, visible minorities and Aboriginal peoples). This is consistent with previous years and reflects the diversity of B.C.'s population.

Limitations/Changes Introduced in 2004/05

While this measure will continue to be an important part of our internal strategies related to building our organizational capacity, it will no longer be reported externally in our service plan.

Data Source/ Reporting Period *Personnel and Labour Relations - April 1, 2004 to March 31, 2005.*

Goal

A High Performing Organization

MEASURE 2 Staff participating in voluntary training

2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2005/06 Target
80%	80%	≥80%	65%	Replaced

RESULT 15% BELOW TARGET

Importance of the Measure

Investing in training increases our effectiveness as an organization and helps staff to do their jobs better. This measure supports the organization's commitment to promoting individual growth and development.

Performance Results for 2004/05

More than 229 staff participated in at least one training opportunity, which represents an overall participation rate of 65 per cent. This is approximately 15 per cent below the target and is dependent on the training required. Of the training opportunities identified, a number were related to legislated requirements, while others supported individual training plans.

Limitations/Changes Introduced in 2004/05

As per Measure 1.

Data Source/ Reporting Period *Personnel and Labour Relations - April 1, 2004 to March 31, 2005.*

MEASURE 3 Percentage of staff with perfect attendance

2002/03 Actual	2003/04 Actual	2004/05 Target	2004/05 Actual	2005/06 Target
19%	19%	≥20%	17%	Replaced

RESULT 3% BELOW TARGET

Importance of the Measure

This measure reflects the commitment and dedication of staff with approximately one in five receiving recognition for perfect attendance. The target reflects previous levels of performance with adjustments being made annually to reflect an interest in continuous improvement.

Performance Results for 2004/05

In 2004/05, 59 people were commended for perfect attendance representing approximately 17 per cent of all staff across the organization. This is slightly below the level of performance reported in previous years.

Limitations/Changes Introduced in 2004/05

As per Measure 1.

Data Source/ Reporting Period *Personnel and Labour Relations - April 1, 2004 to March 31, 2005.*

MEASURE 4 Use of information technology (IT) to enhance productivity and organizational outcomes

Target 2004/05	Successful implementation of e-government initiatives.
Results Q1	Implementation of changes and enhancements to BC Housing's BILD system to respond to changing business requirements arising from the introduction of the ILBC program, and the need to manage information related to developments that include both a housing and a health/support component.
Results Q2	Review and consolidation of BC Housing's property information system including linking of postal code and development data in a manner that will enable enhanced reporting of data along different geographic dimensions.
Results Q3	Comprehensive review and survey of users accessing information through BC Housing's website in order to improve access to information for housing applicants, housing providers and those interested in learning more about the services and programs offered through BC Housing.
Results Q4	Expanded use of The Housing Registry — an Internet-based tool designed to facilitate the creation of a common applicant list across housing providers and 'one window' access for housing applicants.

Limitations/Changes Introduced in 2004/05

This measure highlights major IT initiatives that have been introduced or completed in the past year. However, it is difficult to track and report on progress against specific targets in a manner that is consistent with the expectations set out under the BC Reporting Principles. As a result, this measure has been excluded from future reporting.

Data Source/ Reporting Period *IT Strategic Plan - April 1, 2004 to March 31, 2005.*

Tenant with MLA Sindi Hawkins at Joseph Benjamin Residence in Kelowna, which has 38 assisted living units for seniors subsidized by BC Housing under the ILBC program.

Glossary

Assisted Living: Assisted living units are self-contained apartments for seniors or people with disabilities who need some support services to continue living independently, but do not need 24-hour facility care. Services provided include daily meals, social and recreational opportunities, assistance with medications, mobility and other care needs, a 24-hour response system and light housekeeping.

Co-operative housing: A housing development in which individual residents own a share in the co-operative. This share grants them equal access to common areas, voting rights, occupancy of an apartment or townhouse as if they were owners, and the right to vote for board members to manage the co-operative. Each member has one vote and members work together to keep their housing well-managed and affordable.

Core Housing Need: Households in core housing need are those who currently reside in housing that is either in need of major repair, does not have enough bedrooms for the size and makeup of the household, or costs 30 per cent or more of their total income, and who would not be able to rent an alternative housing unit that meets these standards without paying 30 per cent or more of their income.

Emergency Housing: Short-stay housing of 30 days or less. Includes emergency shelters that provide single or shared bedrooms or dorm-type sleeping arrangements, with varying levels of support to individuals.

Group Home: A small, community-based development, usually under 10 beds/units, that provides affordable housing with supports to those with special needs including individuals with severe mental and physical disabilities, youth, and women with their children fleeing abuse. BC Housing provides administration and property management support for group homes on behalf of other provincial ministries and health authorities.

Housing Providers: Non-profit housing societies and housing co-operatives that own and manage subsidized housing developments. This term can also include private market landlords, through which BC Housing provides rent supplements to low-income households.

Housing Registry: Centralized database of applicants information and housing providers co-ordinated by BC Housing.

Non-Profit Housing: Rental housing that is owned and operated by community-based non-profit societies. The mandates of these societies are to provide safe, secure, affordable accommodation to households with low-to-moderate incomes. Most non-profit housing societies receive some form of financial assistance from government to enable them to offer affordable rents. Each society operates independently under the direction of a volunteer board of directors.

Operating Budget: The annual budget for a non-profit or co-operative housing development. The budget forecasts the costs of operating a development, based on income and expenses, and is used to determine how much subsidy BC Housing provides each month to run the building.

Public Housing: Housing that is jointly funded by the provincial and federal governments and predominantly managed by BC Housing. Most of these developments were constructed in the 1950s and 1960s.

Social Housing: Includes both public housing and housing that is owned and managed by non-profit and co-operative housing providers.

Subsidized Housing: Encompasses all types of housing in which the provincial government provides some type of subsidy or rent assistance, including public, non-profit and co-operative housing, as well as rent supplements for people living in private market housing. It also includes emergency housing and short-term shelters.

Subsidy: BC Housing provides monthly subsidies to organizations to fund the costs of operating subsidized housing units. The subsidy is based on the operating costs set out in the annual budget, less the total rents/housing charges collected from tenants. Subsidy payments include rent subsidies/repayable assistance, and cover the mortgage payments, building maintenance and other shelter-related costs.

Supportive Housing: Housing that provides ongoing supports and services to residents who cannot live independently and are not expected to become fully self-sufficient.

Transitional Housing: Housing for a period of from 30 days to two or three years that includes the provision of on- or off-site support services to help people move towards independence and self-sufficiency. Transitional housing is often called second-stage housing and includes housing for women with their children fleeing abuse.

Glossary

Assisted Living:

Co-operative housing:

Core Housing Need:

Emergency Housing:

Group Home:

Housing Providers:

Housing Registry:

Non-Profit Housing:

Operating Budget:

Public Housing:

Social Housing:

Subsidized Housing:

Subsidy:

Supportive Housing:

Transitional Housing:

Contact Information

Home Office
Suite 601 - 4555 Kingsway
Burnaby BC V5H 4V8
Telephone: 604-433-1711
Facsimile: 604-439-4722
E-mail: webeditor@bchousing.org

Lower Mainland West Regional Office
1296 Station Street
Vancouver BC V6A 2X3
Telephone: 604-609-7024
Facsimile: 604-609-7031
E-mail: lmwmail@bchousing.org

Lower Mainland East Regional Office
800 - 5945 Kathleen Avenue
Burnaby BC V5H 4J7
Telephone: 604-525-3033
Facsimile: 604-525-8201
E-mail: lmemail@bchousing.org

Interior Regional Office
290 Nanaimo Avenue West
Penticton BC V2A 1N5
Telephone: 250-493-0301
Outside Penticton call: 1-800-834-7149
Facsimile: 250-492-1060
E-mail: penmail@bchousing.org

Northern Regional Office
1539 - 11 Avenue
Prince George BC V2L 3S6
Telephone: 250-562-9251
Outside Prince George call:
1-800-667-1235
Facsimile: 250-562-6488
E-mail: pgmail@bchousing.org

Northern Region: Prince Rupert Office
1400 Kootenay Avenue
Prince Rupert BC V8J 3X5
Telephone: 250-627-7501
Facsimile: 250-627-8975
E-mail: prmail@bchousing.org

Vancouver Island Regional Office
Suite 301 - 440 Douglas Street
Victoria BC V8Z 3L5
Telephone: 250-475-7550
Facsimile: 250-475-7551
E-mail: vicmail@bchousing.org

Program and Information Line: 1-800-257-7756
Website: www.bchousing.org

Back cover photo: Seniors in Unity Gardens in Fort St. John enjoy one of many activities offered by the Canadian Mental Health Association, operated by BC Housing with rental subsidies provided by Fraser Health.

BRITISH COLUMBIA

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